

THIRTEEN HUNDRED APPLICANTS TAKE TESTS FOR GOVERNMENT JOBS
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BUSINESS CORRESPONDENCE AND OFFICE MANAGEMENT

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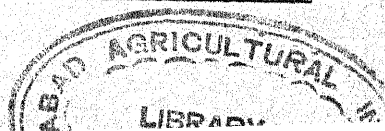
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ILLUSTRATED

AMERICAN TECHNICAL SOCIETY

CHICAGO, U. S. A.

1939



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Printed in the U. S. A.

INTRODUCTION

AS YOU travel through this interesting book, you will find that it deals with two of the most important trends in modern business. The first is the steady development of *scientific* practices in office management, and the second, an ever increasing emphasis on the equally scientific principles that govern the construction of successful business letters. Or, to put it another way, hit-and-miss methods are being eliminated in both office management and correspondence, and in their place a technique is coming to the front which is just as specific and exacting as any other of the older sciences.

Fifty years ago, managing an office was a simple job. The average business then was quite small. The "boss" had a few clerks, and he kept a close personal supervision of the details which they handled. There were no typewriters, no billing machines, no complicated filing systems. The machines had not been invented, and the systems were unnecessary. All that the clerk needed was a fair knowledge of figures and penmanship. He handled certain routines in the same way day after day, and got small pay for being on the job.

In those days, you would have gone to work at seven in the morning and worked until six in the evening. If business was pressing, you would have worked nights and thought nothing of it. You would have swept the floors, run errands, delivered packages just as cheerfully. And of course you wouldn't have expected, or received, any extra remuneration for working nights. The office force was like a little family, and you either played your part of the game, or you lost your job.

But conditions changed. Small companies grew big. Responsibilities multiplied. Routines became more complicated. New records had to be established and maintained. Competition increased. Office expense became a serious factor in the overhead, and executives began to look for ways and means to eliminate lost motion and waste.

It was then that inventive minds began to turn from plant machinery to gadgets which would speed up office practices and reduce their cost. Along came typewriters, autographic registers, accounting machines, filing schemes, time clocks, duplicators, addressing de-

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vices, and new methods to make short cuts and increase efficiency. The bookkeeper got off his high stool, and girls came where they had been taboo before to type the letters which formerly had been written so laboriously in longhand.

But all this growth in office machinery and office personnel brought a new problem to business. Workers could no longer get their instructions direct from the boss. His time was devoted to policies and such larger functions as sales, advertising, and production. Office workers were divided into departments, and over each group there had to be someone to plan and supervise. The office became a highly organized unit, with a few to lead and the others to follow. And so was born the science of *office management*—the subject to which half of this book is dedicated.

Now what about the other half? Well, conditions have changed, too, in the handling of business correspondence. Just as the increasing complexity of business in general has brought about a new technique of office practice and leadership, so it also has evolved a new science in the use and composition of the business letter.

Turn back again to fifty years ago, and you will find that business correspondence was quite a simple thing. Few letters were necessary in those days, and little attention was paid to any plan or system for writing them. A letter was a letter, like a pig is a pig. It was written in longhand, and seldom attempted to do anything more than to answer a question, collect some money, or instruct a salesman.

Furthermore, in those times, any letter was sure to get attention from the man to whom it was addressed, and no letter was chucked into the waste basket without the formality of a reply. "Opening the mail" was the big event of the day to your grandfather, and he promptly proceeded to answer all the important letters himself.

But here once more, the picture changed as business became big. As customers became more numerous and more distant, it was no longer possible to transact the bulk of business with them by personal contact. Letters, in a multitude of forms, had to be used, even to get orders. Consequently, it became more and more important that the principles of personal selling be adapted to that of selling by mail. A technique for letter writing began to appear—business executives began to ask themselves, "What kind of letters get results, and what kind don't?"

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The result has been a tremendous amount of experiment and research in an effort to improve the effectiveness of all business letters, and a wide increase in the uses to which they are put. What those uses are, need not be mentioned here as they are covered fully in the pages that come later, but the importance of *knowing how* to write the various letters now common to business cannot be stressed too greatly in your mind. Without exaggeration, it can be said that skill in letter writing is now a necessary tool to any man or woman who hopes to succeed in business, and a lamentable handicap to the person who tries to get along without it.

What does all of this mean to YOU—the reader of this book? Simply this. Assuming that you mean to get ahead in life, and that business is your chosen profession, then you **MUST** master the principles of office management, and those of effective correspondence. You can't become a supervisor of others—to train, to control, to lead—unless you are fully acquainted with the machines and methods used in modern business, unless you understand how to get the most out of the people placed in your charge. You can't become a leader of any sort without the ability to put your thoughts on paper in such a way that they will interest and convince others.

That you have set yourself a goal of self-study, by reading this book and mastering its contents, is most commendable. The human mind responds to no other method. The more you put in to it now, the more it will help you in days to come. Furthermore, not one iota of knowledge that you gain can ever be lost entirely. A man's body may be devastated by disease, his property may fall into the hands of his enemies, but his mind always is his own. He may be thrown into prison, his feet shackled with heavy chains, but his mind can come and go as it pleases. As Kipling said:

"They copied all they could follow,
But they couldn't copy my mind,
And I left them sweating and stealing,
A year and a half behind."

Your mind will help you take each step forward, but it will not work for you without your own cooperation. It is like a great engine, waiting to turn its wheels for you, but it will not run without fuel. There is no greater tragedy than an empty mind—standing rusty and

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neglected—the owner too lazy to fill it with the facts that would generate the power of which it is capable.

Perhaps, some place in this book you will be tempted to set it aside—the things in it will seem too hard for you. You will say, "What's the use? I can't get all these facts in my head." But don't give up. It's surprising what you can do, once you set your will to it.

Once I heard of a Deacon on the way to church, dressed in his best Sunday clothes. From a mudhole near the roadside, he heard someone calling him. And down in that hole, he saw a big frog!

"I've been down here three days," said the frog, "without anything to eat, and I wish you would help me out."

Well, the Deacon looked at the mud, and looked at his shiny shoes, and remembered that he had to pass the plate in church. So he replied, "I'm sorry, old fellow, I can't help you now, but on my way home from church, I'll be glad to give you a lift."

Later, as he came home from the services, the Deacon was surprised to find the frog sitting in the middle of the road, contentedly snapping at flies. "I thought you said you couldn't get out of that hole," the Deacon said.

"That's what I thought," replied the frog. "But a snake fell down there with me. Then I HAD to get out."

You know, a lot of folks stay all their lives in the mudholes, because they THINK they can't get out. They either make no effort at all to improve themselves, or they quit too easily.

But strong men thrive on adversity. Thomas Edison was not only deaf, but a sick man most of his life. Beethoven composed some of his best music after he lost his hearing. Pope had to wear an iron corset to hold his spine in place. Sir Walter Scott was a cripple and Keats a consumptive. But they all kept going. Once they had their teeth in anything worth while, they wouldn't let go.

And so it is with YOU and this book. It's packed to the brim with facts that will help you to be a "somebody" in this world. You have resolved to master those facts. You are not satisfied to stand still. Some day, you mean to be an executive in your company—to sit in a private office, to give orders, to make plans, to make a good salary, to win the respect of your neighbors, to have enough money so that you can help others.

All right, why not? You have made the right start by resolving

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to study while others are wasting their time away. It's a step in the right direction, and the way ahead is open. Master this book. Then master another and another. You can never stop studying. All big men know that. The minute they stop, they start to slip in their profession. Conditions always are changing. New facts are ever coming to the surface. You **MUST** keep up with them.

But your immediate problem is this book on Business Correspondence and Office Management. It will give you a good start in a field of knowledge of great importance to business. The book is yours to study, and **NOW** is the time to begin.

"Lose this day loitering—'twill be the same story,
Tomorrow—and the next more dilatory.
Then indecision brings its own delays,
And days are lost lamenting over days.
Are you in earnest? Seize this very minute—
What you can do, or dream you can, begin it.
Courage has genius, power and magic in it—
Only engage, and then the mind grows heated,
Begin it and the work will be completed.

(Goethe)

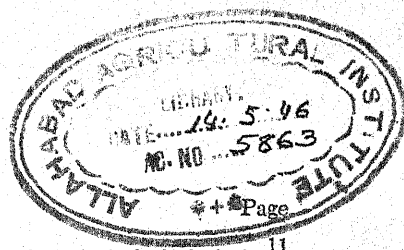
L. E. FRAILEY

ACKNOWLEDGMENTS

TO THE following business organizations that willingly supplied forms and photographs with which to illustrate the text on Office Management, grateful appreciation is expressed:

- Addressograph-Multigraph Corporation, Cleveland, Ohio.
Illustrations 53, 54, 55, 56, 57, 58, 59, 60, 65, 66, 67, 68, 69, 70, 71.
- American Sales Book Company, Ltd., Elmira, New York.
Illustration 76.
- Art Metal Construction Company, Jamestown, New York.
Illustrations 9, 49, 52.
- The Bircher Company, Inc., Rochester, New York.
Illustration 3.
- Burroughs Adding Machine Company, Detroit, Michigan.
Illustration 16.
- A. B. Dick Company, Chicago, Illinois.
Illustration 61.
- Dictaphone Sales Corporation, New York City.
Illustrations 8, 10.
- Ditto, Incorporated, Chicago, Illinois.
Illustration 62.
- Egry Register Company, Dayton, Ohio.
Illustration 77.
- Felt & Tarrant Manufacturing Company, Chicago, Illinois.
Illustration 72.
- Hooven Automatic Typewriter Corporation, Hamilton, Ohio.
Illustration 64.
- International Business Machines Corporation, New York City.
Illustrations 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36.
- The Lamson Company, Inc., Syracuse, New York.
Illustration 7.
- Metal Office Furniture Company, Grand Rapids, Michigan.
Illustration 48.
- Monroe Calculating Machine Company, Inc., Orange, New Jersey.
Illustrations 74, 75.
- Multipost Company, Rochester, New York.
Illustration 5.
- National Cash Register Company, Dayton, Ohio.
Illustrations 37, 38, 39, 40, 41, 42, 43, 44.
- Pitney-Bowes Postage Meter Company, Stamford, Connecticut.
Illustrations 4, 6.
- Remington Rand, Inc., Buffalo, New York.
Illustrations 50, 51, 72. Illustration, page 360.
- Underwood Elliott Fisher Company, New York City.
Illustrations 11, 12, 63. Illustration, page 338.

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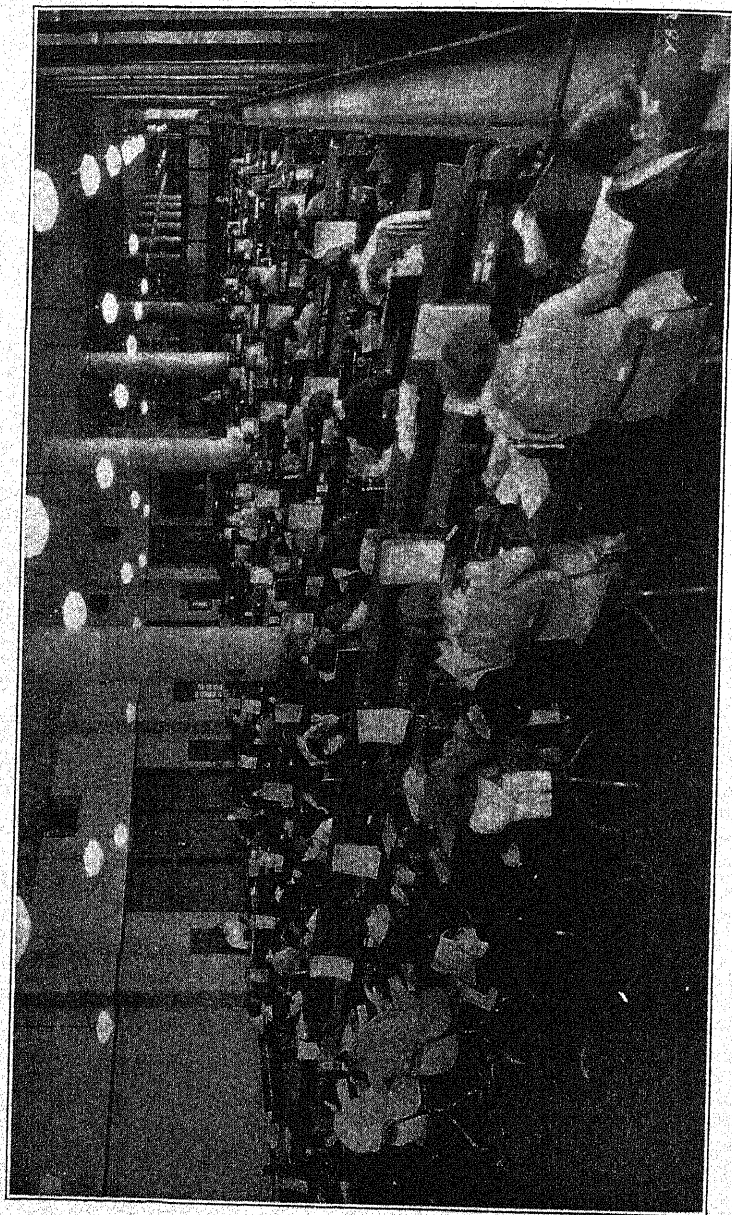
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ORDER DEPARTMENT OF SEARS, ROEBUCK & CO.
Sales and advertising campaigns keep this department busy with orders from all over the world.

BUSINESS CORRESPONDENCE

PART I

THE TECHNIQUE OF THE BUSINESS LETTER

Business letter writing is communication. It is the art of placing in someone else's mind the idea or feeling that is in your own. This is no easy task: first, because you do not always have a clear notion of the idea you wish to convey; second, because even though your notion is clear you may not know how to express it; and third, because it is difficult to know what the other fellow's mind is like and how it will react to your proposition.

THE EQUIPMENT OF THE CORRESPONDENT

There are certain aids which are of service in overcoming these difficulties. Some of these are indispensable to success; others make the difference between a letter of poor or average quality and one of superior worth.*

Knowledge. First in order of importance comes knowledge. "Knowledge is power" in business letter writing as it is in most sorts of human activity. What kinds of knowledge? First, that general knowledge which is partly the result of education and training, partly the result of experience—the facts about business organization and how business is carried on in terms of accepted business procedures—knowledge of general business conditions, especially as they affect the particular business firm which the correspondent represents—changes in transportation methods and costs—new legislation affecting business—new inventions—style changes—knowledge of how the product of the company is made and distributed—knowledge of what competitors are doing—and a multitude of other information which flows through the columns of the daily newspaper, the magazine and the trade paper. Much of this information may be picked up on the run; some of it

*The author gratefully acknowledges the permission of Professor Nathaniel W. Barnes to quote many of the letters used in this book from his compilation of Specimen Letters, published in two mimeographed volumes but now out of print.

must be acquired only through methodical study of books and reports.

It is such general knowledge as this which aids the correspondent in giving the right business tone to his letter, assists him in forming judgments of what to say and what not to say, and furnishes him with a wealth of material for citing cases or giving current interest to his communication.

Another kind of general knowledge is highly useful but hard to acquire; that is a knowledge of human nature. Letters are human documents. Having this knowledge abundantly, the writer can give his letter the human touch which awakens response. Human association, mixing with one's fellows, meeting different kinds of people, reading literature, especially history, biography, fiction, and drama in which human character is portrayed, will give the correspondent a basis for the more dearly bought experience he will get on the job.

More important than general knowledge is *specific knowledge* of the problem with which the letter deals. The writer can not make clear or convincing for someone else the situation which he himself does not understand. Know what you are talking about. Much of the vagueness in the use of words, and much of the indefiniteness and weakness of business letters is due to the fact that the writer does not have a sufficient knowledge of the facts of the situation with which he is trying to deal.

Command of the English Language. Knowledge of what to write, without the power of expression, gives letters which are ineffective because they reflect on the intelligence of the writer and give the reader a bad impression. Command of language means correctness in the use of words in sentences. While the rules of grammar may be departed from in business English, the writer should know when he is departing from them, and not do so from an ignorance of what is correct.

The right choice of words is almost equally important, because the selection of the right word saves many words and gives added force of expression. The writer will generally avoid the use of words and phrases which are peculiar to certain localities or foreign to the language. He will be cautious in the use of slang, and phrases which pass quickly out of use, or those which carry a vulgar suggestion.

Language should be adapted to the reader of the business

letter. There are times when familiar forms and idioms are needed; with other groups dignified and formal phrasing only may be used. A knowledge of the rules of spelling, punctuation, and paragraphing is a necessary part of the writer's language equipment.

Judgment. This is the ability to weigh alternatives and to arrive at right decisions. Shall another letter be written to the delinquent customer or shall the account be turned over to an attorney for collection? Shall the appeal to buy be based on cheapness of the goods or on quality? The writer of business letters is constantly beset by such problems. Experience and the example of others are his only guides. Not to make the same mistake twice is his goal. By cultivating the habit of weighing alternatives, and by attempting to supply reasons for his course of action, the letter writer will build up this valuable power of judgment.

Tact. When a difficult business situation can be handled in such a way that both sides are satisfied and the goodwill of the customer retained, that is an exercise of tact. Perhaps the customer's order was not properly filled because, through the customer's own fault, necessary information was omitted. When the customer complains, the tactful correspondent will write in such a way that the customer will not only be made aware of his fault, but will not be offended in having the error called to his attention. Customers are frequently lost because of tactless letters. Tact is judgment plus a little imagination.

Courtesy. There is always time to be courteous and it adds nothing to the cost of business letters. Courtesy means consideration for the feelings of others: making prompt reply, spelling correctly the name of the person addressed, addressing him by his proper title. In the doing of little things, answering inquiries, complying with requests when no obligation is involved, courtesy is shown. Especially is courtesy valuable in those cases when a request must be refused or a policy enforced. Courtesy should not be confused with flattery or a fawning manner.

Imagination. This is nothing more than the ability to visualize, to see in the mind's eye, the person you are writing to, to estimate his mental capacity, his prejudices; to see him in the environment of his office going through the morning's mail, to see letter after letter leave his hand and go into the

waste basket. This ability to re-create mentally a probable situation before it actually materializes is of great assistance in guiding the letter writer to a choice of those appeals which will keep *his* letter out of the waste basket. Imagination comes to your assistance not only in sales letters where you are trying to take the buyer's point of view, but in adjustment letters where what is clear to you is not at all clear to the customer; and in collection letters where the reason for the customer's delinquency is often not apparent. Imagination is cultivated by trying to see the problem you are dealing with from the other fellow's point of view.

Personality. Be yourself. Avoid affectation in the use of words. Be careful not to fall into conventional mannerisms which lack naturalness. You would never begin a conversation over the telephone with your customer by saying, "Yours of the 15th instant received and in reply beg to state, etc." Letters are more formal than conversation but they should not lapse into the language of office forms; for example, the use of office terms which are unintelligible to outsiders. Individuality distinguishes your letter from the average performance; therefore, it pays big returns. But beware of trying to make your letter something which you yourself are not. Be sincere.

If the correspondent has a background of useful business knowledge, if he knows the facts about the particular problem he is dealing with, if he has command of the English language, if he can exercise ordinary judgment, has tact, courtesy, imagination, and is natural and sincere in his manner, then his letters will, with experience, take on these qualities.

This manual is chiefly concerned with showing by what methods successful letters may be written, but without developing the above qualities as part of his equipment, the correspondent can scarcely hope to excel in the use of these methods.

THE PLACE OF THE LETTER IN BUSINESS

The Letter the Most Used Form. The letter is the most used and the most useful of forms for carrying on business communication. Perhaps because it is such a common form less care is taken in its composition than the letter merits. It is, of course, impossible to calculate the loss to business which

comes from letters improperly written and incorrectly addressed. A considerable loss results from the fact that many letters never reach the persons addressed. Mailing lists are incorrect, errors are made in addressing. But greater still is the loss of time and patronage which results from inaccurate, inadequate, and tactless letters.

Most Personal. In spite of the ingenious multiplication of communicating forms in business, the letter still remains the most personal. Because of this fact the letter, more than other forms, gets itself read. Expressions which suggest the personality of the writer and a familiar tone are tolerated in the letter when they would seem out of place in a printed folder. Because the letter does represent the personality of the writer and the standing of his firm, great care should be taken that nothing in its form or its composition should cheapen either in the estimation of the reader.

The Letter a Direct Form. Like the telegram and such forms as the circular and folder, the letter is a direct form of communication; that is, it is sent, without passing through any other medium such as a newspaper or magazine, directly to the person addressed. This means that the letter should at least reach the hands of the person for whom it was intended; however, a great many of the business messages used today are not even seen by the persons they are meant to reach.

The Letter Saves Time. Letters are taking the place of salesmen to an increasing degree not only because they are cheaper but because they save time. The fastest trains and boats carry the mail. Now we have the air mail. Telegraphic and telephonic communication and radio are, of course, speedier but they are also more costly and lack other advantages enjoyed by the letter.

The Letter is Confidential. Under the postal laws of all countries letters sent first class are confidential matter except in time of war, when they are subject to censorship. The business man may, therefore, put in a letter what he would not say over a telephone or send by wire except in code. He may also register his letter to make certain that it reaches only the one for whom it is intended.

Gives a Permanent Record. A carbon copy of the letter with the original letter to which it is a reply gives a permanent

record of a business transaction. This record may be kept on file in such a way that ready reference may be had to all previous correspondence on the same business transaction.

A Flexible Form. More than any other form of communication, the letter is adaptable to a variety of uses. It may be depended upon as the only means of communication in dealing with a business situation, or it may be merely supplementary to a report, pamphlet, or sample of merchandise. The variety of business uses of the letter is as infinite as the variety of the needs of business for a communicating medium. These uses as they will be taken up in this discussion may be summarized under the following heads:

- I. Letters of Inquiry and Reply
- II. Letters of Application
- III. Letters of Recommendation
- IV. Contract Letters—Ordering Goods
- V. Sales Letters
- VI. Adjustment Letters
- VII. Collection Letters

Within each of these groups are more detailed uses making necessary special types of letters. But not only is the letter form adapted to all these different problems of the business, it may also be changed in contents and in length to meet the needs of different kinds of readers. It may be sent out only once to carry its message, or it may be mailed at regular or irregular intervals as the need demands.

It remains to see by what methods the single letter form may be used to deal with a variety of business needs. From pages 39 to 77, inclusive, these special uses of the letter to facilitate the handling of business problems are discussed and illustrated. Before considering these problems in detail, however, it will first be necessary to call attention to a general method of procedure which applies to the writing of practically all business letters.

HOW TO DEAL WITH LETTER WRITING PROBLEMS—ANALYSIS

Examine the construction of good business letters and you will find that they all have more or less the same qualities. This fact indicates that there must be a general technique or

method which may be followed, that success in letter writing is not just luck or the gift of a particular individual.

This general method which applies to most letters takes the form of two major tasks: analysis of the letter problem, and presentation of the results of analysis in such a way as to gain a desired effect. Let us see first what is meant by analysis of the letter problem.

Any need of the business which makes it desirable that a letter be written may be thought of as a letter problem. Analysis of the problem demands that we break it up into a number of lesser problems. Analysis thus aids us in thinking about our problem and helps the reader by allowing him to grasp the meaning of the major problem a little at a time, all parts of the discussion being closely related.

State the Problem. The first step in this process of analysis is to state the problem, mentally or on paper, in such a way that the meaning of what you intend to talk about in the letter is unmistakably clear. Such a statement can not be made without the writer's having a fairly definite notion about the subject for discussion, the audience to be addressed, and the objectives to be reached.

Define Terms. Suppose, for example, you tell me your problem is that of increasing patronage at a restaurant. I immediately object to this kind of statement because I do not know what kind of restaurant you have in mind nor what kind of patronage you wish to attract. If after questioning you I find that you are operating a tearoom in a college town, and that you wish to attract the patronage of the young women who are attending the college, the problem becomes much more clear. The second step in analysis thus becomes apparent—it is to clear up any indefiniteness or ambiguity in the meaning of the terms in which you state your problem.

Division of the Subject. At this point in the analysis it is necessary, if the subject is complicated, to indicate a separation of subject matter into topics which may be handled as separate units in the discussion. This division of material should be dictated not merely by convenience, but by the need for presenting the idea of the letter part by part, so that each subordinate idea will be more easily grasped and yet remain closely related in the reader's mind to the main thought the

writer is trying to develop. It is the part of wisdom not to deal with more than one major problem in a single letter.

Get the Facts. Next we must find out the meaning of the problem in terms of the facts. Many letters fail of their purpose because empty phrases are substituted for facts. First make a mental inventory of the facts already known. For the purpose of writing many letters, the facts are already in the possession of the correspondent. If they are not, they must be gathered.

It is at this point that organization of the sources of information on business subjects comes into play. The correspondent should make himself familiar with those general sources which deal with the industry of which his business is a part, but he will have need also for the information accumulated in the files of the business itself. These facts must be adequate for dealing with his problem or some important phase of it will be neglected. The information must also be authoritative or the writer runs the risk that his reader may be better informed from another source and so come to lose confidence in his correspondent.

Restate the Problem. The value of the process of analysis appears again at this point, because it is often true that after the facts of the problem have become known, it becomes necessary to restate the problem before going further.

To go back to the previous example, let us suppose that the proprietor of the tearoom before getting out his circular letter has made an investigation of the eating habits of these college women. The proprietor finds that during the winter season when tearoom service is most in demand, many of these women are going to a neighboring city for out-of-season delicacies which they are not able to obtain in the town. Thus his problem becomes not one of merely soliciting patronage on the basis of ordinary food service, but of catering to the known demands of his prospective customers, if he wants the business. The letter which he would have written before the facts were known is not at all the letter he will choose to write now. He will restate his problem in the light of the new information he has obtained.

But the process of analysis is not yet complete. Next to having little information about the subject, it is almost as difficult a predicament to have so many facts at hand that it

becomes a problem which facts to use and which to leave out. This problem becomes all the more pressing when it is recalled that one of the major requirements of the business letter is that it be brief.

Selection for Unity. Hence the next step is selection of subject matter. The first guide in this process is rigidly to exclude all statements which do not bear directly on the subject of the letter. Observance of this precaution will give your letter logical unity and singleness of thought. Equally important as a guide is to select subject matter with the reader in mind. Facts may be relevant to the subject and highly important for one group of readers, while the same set of facts would weigh but little in the minds of another group. Emphasis by the tearoom proprietor, for example, on the rareness and delicacy of his menu might sound quite tempting to young women, while such an appeal would be of doubtful merit if addressed to young men with healthy appetites.

Orderly Arrangement. The facts must now be given orderly arrangement. The reason is obvious; information passes more readily into the mind if the facts that belong together in meaning, appear in close relation to each other on the typewritten page.

Some scheme of arrangement should be adopted. This may be chronological where the subject can be dealt with in narrative form. Or the writer may proceed from a general statement to a series of particular instances depending upon or introduced by the general statement. This order may be reversed and the particulars given first, concluding with the general statement. Proceeding from known facts to the new idea you wish to convey is still another method for giving coherence to the subject matter of the letter.

Show Relative Importance. Finally the process of analysis should show the relative importance of the ideas treated in the letter. Certainly not all the material is of the same importance either in the mind of writer or reader. The writer will want to give most emphasis to those ideas in his letter which he considers most necessary for reaching his objective. In deciding what is important he will, of course, be guided by what he knows (or thinks he knows) to be the point of view of the intended reader.

At least two ways may be used to indicate the relative im-

portance of subject matter in the letter. First, most space may be given to a discussion of those points which are considered of major importance. Second, paragraphs discussing important points are placed in such a position in the letter as to attract maximum attention. Usually these positions are at the beginning and end of the letter.

With this final step the process of analysis is complete. The resulting product is an analytical outline of the complete letter. If this outline is correctly made it will give an accurate and full statement of the problem to be solved; it will indicate a division or breaking up of the subject into topics for separate discussion; it will provide for the exclusion of all facts not relevant to the subject, or to the readers of the letter; it will ensure an orderly arrangement of subject matter; it will indicate the relative emphasis of the different ideas treated.

To those who have written business letters it may seem unreasonable that such a detailed process of analysis should be entered upon whenever one wishes to write a business letter. *But there is no other way.* Writers who turn out successful letters, seemingly without going through this process, in reality take all the steps. The difference is in the speed with which each step is taken. From experience such writers know the exact nature of the problem they are dealing with; they draw upon accumulated knowledge. Practice in writing has taught them to throw statements into orderly form and to single out the important from the unimportant. It is all done without the use of a single note, but behind this ease of performance is the hard work of analysis carried through not once but many times.

So much for the expert; how about the mediocre performer and the beginner? The evidence of the neglect of problem analysis in business letters is altogether too abundant in the lack of content and bad arrangement of much business correspondence. Let us apply this method of analysis to an actual case and see how it works.

The Method Applied. The problem is that of a dealer in tires and automobile accessories in a city of 50,000 people. He has the agency for the sale of Everyday tires and he wishes to promote the sale of these tires among car owners in the city. He proposes to send out a circular letter which will help him in accomplishing his purpose. Before deciding what to

say in the letter he makes an analysis of his letter-writing problem.

Statement of the Problem. He will begin by stating the problem somewhat generally as has been done in the paragraph above, i.e., how to sell Everyday tires to car owners. Naturally a great many ideas occur to him. He may call attention to the complete stock of sizes he is carrying, or to the manufacturer's guarantee of quality, satisfactory adjustments, free installation and prompt service, etc. He might repeat the results of road tests made with Everyday tires to convince the prospective buyer of their worth. Or, taking the consumer's point of view, he might stress the savings which would accrue to the car owner by using Everyday tires.

Let us suppose that he narrows the range of appeals down to this last appeal to the saving instinct. His subject will now be stated: "How the car owner can save by using Everyday tires."

Definition of Terms. The "car owner" is "any owner of an automobile who may possibly be in the market for tires." "Everyday tires" means "cord tires made by the Everyday Company." But what does "save" mean? Undoubtedly it means "money savings," though it might mean a saving in time due to fewer punctures or blowouts. After thinking over the many possible ways in which money may be saved by a wise purchase of tires, let us suppose that the dealer limits his appeal of savings to (a) saving in tire wear, (b) saving in gasoline, (c) saving in wear on the car.

Division. The tire dealer is conscious that tire wear is too complex a subject to be treated under one head so he breaks it up into (1) internal wear, (2) external wear.

Restatement of Subject. He is now ready to restate the subject of his letter in much more definite terms. This he does as follows: "The car owner will save in tire wear, in gasoline, and in wear on his car if he uses Everyday cord tires."

Gathering Facts. Before the subject of the letter can be discussed, certain facts must be in the possession of the writer. Indeed, a rather large assumption is made when it is supposed that he could restate his subject before making an investigation into the kinds of saving which were possible.

Restatement of subject comes more logically after the fact gathering stage than before it.

But what facts? Evidently facts having to do with tire wear. This immediately suggests a knowledge of tire construction and the relation of type of tire construction to wear and resistance to wear. The same holds true for the relation of tire construction to gasoline consumption and to wear and tear on the car.

Unity. In making the above investigation, the dealer might very readily encounter information concerning the relation of tire construction to safety in driving, or to ease and luxury of riding. But if he wishes to preserve the unity of his appeal, he will exclude all facts which deal with anything except the kind of savings in which he is trying to interest the car owner.

Orderly Arrangement. In trying to determine an order of statement for his letter, he notices that his subject is in the form of an assertion which demands some kind of proof. Certain results will follow if the car owner uses Everyday tires. What will cause these results? The paragraphs succeeding the first paragraph in which the subject of the letter is stated must necessarily be a statement of causes. The principle of arrangement, in other words, is a logical principle of the effect to cause type. He decides to preserve the order of treatment indicated in the statement of the subject: (a) saving in tire wear, (b) saving in gasoline, (c) saving in wear of car.

Emphasis. To indicate the relative importance of the kinds of saving as related to tires, he places first, saving in tire wear, internal wear being considered before external wear. He decides to keep the last paragraph of the letter for a summing up of the advantages he has claimed in the body of the letter. Having shown that the advantages apply to all cars, he will remind the reader (a car owner) in the last paragraph that this includes *his* car.

Most space will be given to internal tire wear and wear on car as indicating that they are the most important points to be stressed.

Having completed his analysis, the dealer is now ready to draw up a simple analytical outline of the letter. The outline will look something like this.

Outline of Letter to Car Owners

Subject: The car owner will save in tire wear, in gasoline, and in wear on his car if he uses Everyday cord tires.

- I. He will economize in tire wear
 - A. He will save in internal tire wear
 1. Everyday cord construction is resistant to fabric breaks
 2. Everyday cord tires are highly resilient and thus proof against road injury
 - B. He will save on external wear
 1. The tread is thick and tough
- II. He will save on gasoline
 - A. Everyday cords are easy riding and quick on rebound
 - B. You coast farther without power than with other tires
- III. He will save in wear on car
 - A. Everyday cords reduce vibration
- IV. These advantages in savings apply to all cars when Everyday are used.

Having made this outline, the dealer is ready to proceed with the writing of the letter. A study of letter No. 1 will reveal how closely it follows the outline.

PRESENTING THE SUBJECT MATTER OF THE LETTER

Thus far it is apparent that the letter must first be correct in the sense that the language must be grammatical, the sentences properly constructed, the words correctly spelled, and the rules of punctuation observed. In the second place the business letter must have logical structure, that is the subject matter of the letter must be thought through in advance so that the writer knows just what points he wishes to develop and the order in which he wants to present his facts. This is the process of analysis which has just been explained. Finally, this subject matter, which is the result of the analysis, must be presented to the reader in such a way that the desired effect will be obtained. This is the problem of presentation and involves that psychological process which is ordinarily called persuasion.

LETTER No. 1. Written according to the analytical outline.

States subject and determines order of treatment

Dear Sir:

We believe that you will save in tire wear, in gasoline, and in wear on your car when you use Everyday Cord Tires.

Discusses I-A of Outline

You will economize on internal tire wear, because Everyday Cords are unusually resistant to the inner fabric breaks that cause blow-outs. And their remarkable resilience wards off road injuries that lead to tread and carcass separation.

Discusses I-B of Outline

You save on external tire wear with Everyday Cords because the thick, tough tread wears down very slowly.

Discusses II of Outline

You save on gasoline with Everyday Cords, because they are large, easy riding, and quick on the rebound. They let you coast farther without power than you can with any smaller, less resilient tire.

Discusses III of Outline

And finally you save in wear on your car, because the Everyday Cord Tire reduces vibration. It flows along the road, absorbing bumps and road shocks. Naturally your car is bound to profit by such good treatment.

Summary and applies IV of Outline

We believe that you will appreciate the advantages of these Everyday Cords on your car. And we will gladly help you select the right size and apply them correctly for you.

Yours very truly,

Attention. The first principle in effective presentation is gaining attention. This is nothing more than getting the intended reader of the letter to give it an initial glance, not because he wants to; indeed the assumption is that he may be indifferent to or neglectful of your correspondence unless you do something to overcome this indifference. By the use of some device the reader's senses must be turned in the direction of your letter so that he is compelled to pay attention to it. This is the first step in getting the letter read.

Some of the devices which may be used to attract attention are color intensity and color contrast, large type, novel fea-

tures, pictures, use of white space, position of a prominent feature. The use of color intensity or color contrast may appear on the envelope, in the letterhead, and in the body of the letter, as when line headings are typed in with a color ribbon. A bright spot of color attracts the eye, but too much use of color in the letterhead or in the typed matter may offend good taste and cheapen the effect of the letter.

Capital letters for the beginning words of each paragraph, or still larger type announcing the subject of the letter, may be used to attract attention when letters are multigraphed or printed.

Novelty may appear in the letterhead or in the arrangement of the letter. An extremely unusual treatment often is an effective attention getter. This, however, can be overdone.

A real estate firm conceived the bright idea of enclosing with its letter to the prospect a letter written to themselves and already signed with the typed signature of the person addressed. The receiver of the letter is asked merely to mail back the letter which has already been written for him. The letter itself is simply a request for further information. Another daring writer (letter No. 2) reverses the ordinary letter form, beginning with "Yours truly," and closing with "Dear Sir:" and the date, the purpose again being simply to attract attention.

Illustrations are effective attention getters, especially in sales letters where product, container, and trade mark may be pictured. In the letterhead, illustration of the plant or of the proprietor is not unusual, but here again good taste demands that the letter do not take on the appearance of a poster.

The eye of the reader often may be directed to a significant part of the letter by surrounding the statement or paragraph with white space. This is illustrated in letter No. 3.

The principle of the use of *position* for attention is the placing of an important feature of the letter so that it immediately meets the eye of the reader. Centering the feature at the beginning of the letter is the most effective use of position. Note the arrangement in letter No. 5.

Interest. The difficulty with all of these attention getting devices is that their effect on the reader is temporary. Unless there is some method of holding attention once it is caught, it is unlikely that the letter will be read through to the end.

LETTER No. 2. Well worded example of the "upside-down" type of novelty letter.

Very truly yours,

Ellsworth Gale

EG:BF

This letter is to illustrate how you can apparently get quickly to the bottom of a letter - but have you?

No sir! You are still working in that direction.

And so it is in advertising. The attractive design and coloring may catch the eye, but somebody must "go all the way through" if the advertisement is to be a success.

One of the latest psychological approaches in advertising, which has proven its merit, is our Educational Plan. The attached card illustrates a booklet which is a part of the campaign - But first we went to the bottom.

The post card is for your convenience. Give us an opportunity to go to the bottom of your selling and advertising problem.

An idea which will make money for you is worth your time against ours.

Dear Sir:

April 4, 19

LIVERMORE
AND *KNIGHT CO.*
MANUFACTURERS OF
STATIONERY AND
PRINTING
PROVIDENCE, R. I.

LETTER No. 3. From the advertising manager of a magazine to a prospective advertiser.

Dear Mr. Douglas:
Another national advertiser.

To-day the Liggett and Myers Co. sent us a schedule for full-page announcements to advertise FATIMA CIGARETTES in The New Universe. This is just one more national advertiser who recognizes the value of The New Universe's influence. Here are a few of the others:

VICTOR
UNION PACIFIC
PARIS GARTERS
PACKARD
GENERAL ELECTRIC
HOUGHTON MIFFLIN
AMERICAN TEL. & TEL.
POSTAL LIFE INSURANCE
NEW INTERNATIONAL ENCYCLOPEDIA
MURPHY VARNISH
MACMILLAN
HORLICK'S MALTED MILK
TIFFANY
TRENTON POTTERIES
PULLMAN COMPANY

If these advertisers appeared only occasionally in The New Universe—or if they used small space merely—it might be for any number of different and unimportant reasons.

But there can be only one reason for their deciding to appear in our columns on regular schedules—Results. Doesn't that reason hold good for you, too?

Yours sincerely,

LETTER No. 4. A daring method of attracting attention is to make the whole letter brief, as in the following from a reporter to a newspaper editor:

Columbus Morning Ledger,
Columbus, Indiana.

Dear Mr. Editor:

I AM A REPORTER
and can go
to work and
make good
on the
Ledger
Wire me

Kenneth C. Hogate (Signed)

LETTER No. 5. From the Sales Manager of the F. L. M..... Company to a prospect who has not responded to two previous letters.

Dear Sir:

- the house doesn't suit-
- the price is too high-
- haven't had time to answer-

I just jotted down those three lines on a piece of yellow paper before I started to write this, our third letter to you, in answer to your request for information concerning the M----- TAKE DOWN HOUSES.

You see I figured that if I could answer satisfactorily your possible doubts, you might be good enough to let us hear from you again.

Of course, it would be an impossible task to make a house for you just as you would plan it yourself. There are no less than one-half million, eager, enthusiastic outdoor people in this country, all with unique ideas for their summer home.

Our product, as shown in the catalog we sent to you recently, was designed to answer, as near as we could, all these varied demands. How well we have succeeded, is evidenced by the scores of letters in our files from customers, who swear by the M----- Brown Bungalows as being the most logical and practical solution of the summer home problem. They say also that—

Our price is not too high—It's too low for the perfect house that we produce—a house that comes to you ready to set up, on the spot of your desire, purchased at less than the cost of a season's rent.

If you have not had time to reply—remember this—Over one hundred stores display, demonstrate, and sell this house. Orders from them will be given preference when the rush reason comes. If you order now, your house will be carefully packed and laid away for you, waiting for your own Summer call to a restful, happy vacation.

Yours very truly,

_____(Signed)

P.S. Enclosed in this envelope is a list of demonstrating houses we are offering at big reductions. There are only a few left and it will be necessary for you to wire, if you want one.

Interest is sustained by presenting material in such a way as to hold the reader's eye on the page until the end of the letter is reached. Certain devices are useful for this.

First, the subject matter of the letter may be modified in such a way as to arouse the interest of the reader. Mention of events of current interest hold our attention; this suggests that what we have to say may take on interest if it is associated with the news of the day and given the quality of *timeliness*. Letters selling Christmas gifts or mailed near any of the holidays may refer to the day or season but the tie-up must be appropriate.

Stressing the *utility* of the information which the letter contains is another way to sustain interest. The reader does not readily cast aside a message which contains facts which are of obvious use to him in his business. Note the following example, letter No. 6:

LETTER No. 6. From the University of Chicago Press to a list of eight hundred house organ editors stressing utility of book.

Dear Mr. Editor:

One house organ editor said to another the other day, "It's getting the little things right that makes this job of mine hard."

"Yes, but the worst of all is having to explain these thousand and one little things to a green assistant," replied the other.

Are these editors speaking for you?

Then you have not discovered the book which was made to deliver you from these very troubles.

A **MANUAL of Style**, by The University of Chicago Press tells the "thousand and one little things" about correctness of form. It gives also what the Chicago News calls "a practical, authoritative set of working rules" covering typographical style.

The book is recognized as standard and is free from technicalities—a strong combination.

The price? Three dollars, plus postage.

A line from you and we will send the book immediately. Then you will find it much easier to get the little things right.

Yours very truly,

MANUAL OF STYLE
Ninth edition, 391 pp.,
12 mo, cloth, \$3.00, net,
postage extra (weight 2 lbs.)

Again, subject matter may be presented in such a way as to seem at once *familiar* and close to the particular interest of the person addressed. This may be done by using situations which will seem familiar to the reader, or by adapting the phrasing of the letter. Note the use of language familiar to lawyers and the humorous definition of a jury which fits in with the undertone of the letter that "clothes help make the man" in letter No. 7 from a clothing manufacturer.

LETTER No. 7. From a clothing dealer to lawyers using expressions familiar to the lawyer.

Dear Sir:

Now-a-days clients are keen business men. Modern cases involve principles of commercialism and require a knowledge of things of today and tomorrow—Blackstone is no longer a text book but a history of things that were.

Engaged, as you are, in a calling requiring the keenest estimate of men, you well know the mighty influence that "appearance" plays in your profession.

Men are judged today not only by what they do but by what they look like they can do. No lawyer can expect to attract desirable clients unless he appears in keeping with the whirl of progress—and the saying is that a Jury is a body of twelve men selected to determine which side has the best lawyer.

Koestermann Clothes can rightly be termed "professional" tailoring. We earnestly invite you to call and pass judgment on the new Fall and Winter suits and overcoats selling at from \$50 to \$75.

A severe cross examination of the methods of manufacture will disclose no colored evidence. And in making our plea for the justice of your decision, we expect you to be both Judge and Jury.

Yours very truly,

LETTER No. 8. Note the use of familiar situations in this letter from a nurse to a tired mother.

My Dear Mrs. Lynn:

Haven't you sometimes wished that you were free to pick up your bag and run away from your family and friends for a while?

—that you could go with your husband on his business trips, to get away from home responsibilities like he does?

—or that you could stay at the Springs more than a day at a time without rushing home to the children?

You can, now.

You can do more than that—and this is my lovely plan for you:

Take a vacation—a nice long rest—a vacation with the trained care of Hinsdale and the good foods of Battle Creek, all in the luxury and comfort of your own home.

Shouldn't you love to do it? Don't you want me to come to you and give you this opportunity? Doesn't it make you feel brisker and rosier just to think of basking for a week or two in the yellow sunshine of your own big south room?

You needn't worry about Buddy's stockings, or Hester's music, or Dave's laundry getting off to school—that will be part of my job. I'll shoulder the whole responsibility, from getting the meals served on time to seeing that the piano is dusted on top.

I could keep you amused, too, I am sure. We could read all the new books you have been promising yourself as a treat this long time. You could dictate nice chatty letters to old friends, and I'd type them for you. We could ride out, in the country. However, you would probably sleep most of the time.

I am starting to do this sort of thing because there are people here in Bloomington who really need me. Too often my patients in the very serious cases have been mothers who were simply "worn out."

My fees are \$50 a week.

Surely it is far better to pay \$50 a week for some one to come in and keep you well and your family happy, than to pay \$45 a week for some one to pull you through when you are really ill and your household demoralized from lack of attention.

Think about me when you are tired, and my alcohol rubs and the bright sunshine.

Sincerely yours,

But you may also sustain interest by going to the other extreme and *stressing the unusual*. Departure from the common-place is always welcomed if it is not overdone. Consider for example the following letter which illustrates a departure from the usual technique of the sales letter (No. 9) combined with humorous appeal.

LETTER No. 9. From a printer to inactive customers.

Gentlemen:

I feel just like the Irishman who dashed up to a hotel desk one evening—hat gone and clothes streaked with dirt.

"I want room thirty-seven and I want it quick," he shouted.

"But I can't give you room thirty-seven," said the clerk, after looking at the register.

"I tell you, I want room thirty-seven," was the rising reply.

"But room thirty-seven is taken. Mr. Murphy has that room."

"Don't I know it? I'm Mr. Murphy. I just fell out at the window and I want to get back in again."

Yes—I feel something like that—and I want to get back in the room—wherever it is—where you give out your orders for printing.

It's been a mighty long time since we've had the pleasure of serving you, Mr. (name of customer), and it would certainly make us happy to see your name back on our books.

Our equipment is now thoroughly complete. We have both the facilities for doing good printing in our plant and the will to use these facilities to give you the best possible service.

Just put your next job up to us and see!

Sincerely,

Putting "*human interest*" into the subject matter of the letter is still another way of maintaining the interest of the reader. Consider for example the touching quality of the following letter and ask yourself whether it is not human interest appeal which makes you want to read through. Notice the indentation at the end of the story and beginning of the appeal. Compare the careful and infrequent use of underscoring and of words in "all capitals" with some of the other letters quoted here. The appeal here, letter No. 10, is to a select prospect list.

LETTER No. 10. Human interest appeal from the president of L.....
Memorial University to teachers in other institutions.

My Dear Mr. Caldwell:

Something happened here this morning that I want you to know.

About nine o'clock a young fellow swung in onto the campus with a long-legged stride that would have been an astonishment anywhere else. He had come a hundred miles from his home in the mountains of North Carolina.

I turned him over to Dean Ford, but I listened to the conversation. He had brought with him the sum of \$10—no more—all he had on earth. That was his financial equipment for college. The Dean told him he did not know what to do with him and explained as kindly as he could that the rooms were spoken for and occupied, and every available bed taken, everything "full-up."

I looked at the young man. He never flinched. He smiled, confidently faced us both, clear-eyed and steady—and this is what he said: "Dean, I didn't come here to get a room, nor to get a bed; I came to get an education. I can sleep on the floor."

There wasn't any answer to that that we could think of, so we made a place for him; we had to. We can't turn that sort down; we can't do it, and we ~~won't~~ do it as long as there's a dollar in sight.

These boys are the salt of the earth, big strong up-standing determined fellows; old revolutionary stock, ninety per cent of them; mountain born, fearless, quiet, loyal, high principled and clean.

They are coming in now in scores—the biggest attendance we have ever had, and we've got to take care of them. We can do this if we rebuild Grant-Lee Hall.

Friends in New York have pledged \$4,500. As soon as we have \$10,000 more pledged, we shall begin the building. We have now \$7,516 toward the \$10,000 and I am writing this letter to two thousand and one of my fellow teachers, with the hope that they AND YOU will sign the enclosed pledge in some amount from \$1 to \$5 to help us on with what we want to do.

Think of it; we're within less than \$2,500 of the sum needed. Our teachers are working on salaries next to nothing, the students are working, working in the field, the dairy, the gardens, working like nailers, hard work, too.

It seems to me this is the sort of fighting spirit that is worth helping. I have told my faculty that if the men and women who are themselves educators knew this they would recognize it and help us, not only for the sake of the work we are doing, but in memory of the fact that this is the one school on this continent dedicated to the living memory and spirit of Abraham Lincoln and conducted in that spirit for the uplift of these mountain boys of whom he spoke and in whom he believed.

Will you give us your hand in this?

We are battling to raise this little money in thirty days. I enclose an envelope unstamped; saving these stamps saves the school \$40; I believe you understand how we need it.

I leave it to you as a teacher; as a TEACHER.

Faithfully yours,

Suspense, a purely rhetorical trick, is often successful in inducing the reader to read through to the end. The trick in this case is nothing more than withholding the complete meaning of the letter until the last paragraph is reached. This technique is successful, provided the letter is not too long. Example of the use of suspense is given in letter No. 11.

LETTER No. 11. From the Business Manager of a magazine publisher to an advertising agent.

Dear Mr. Van Riper:

Do you know one manufacturer who could
handle more business
and who already has

- (1) an efficient factory
- (2) an energetic sales force
- (3) adequate distributing facilities
- (4) a good growing city trade
- (5) a willingness to decrease overhead—

a man who wants to make more sales and more profits through present dealer connections?

You do? Then send him, sure, your copy of October G-----, with the center "spread" especially marked. And better, mark paragraphs in the article entitled "Selling Suits."

Yours very truly,

Putting one's personality into the letter, suggesting enthusiasm, the use of conversation, the narrative form, and the use of pictures, are additional ways of treating subject matter to make it interesting and thus hold the attention of the reader.

Interest can also be sustained by avoiding lengthy introductory paragraphs; immediate direct discussion of the subject of the letter is the better plan. Be brief and thus avoid the problem of sustaining interest over an unreasonable length of time. Most business letters can be written within the space of a single sheet of letter paper. However, when justified by other considerations, one should not hesitate to go beyond this limit.

Short paragraphs, variety in paragraph and sentence length, variety in construction of sentences and use of words, all help to lighten the reader's task and so make him want to read the letter rather than lay it aside. Finally there is the whole question of the form and arrangement of the letter. A letter, the details of which are not only correct as to form, but arranged in such a way as to give the letter a pleasing appearance, will recommend itself to the reader much more effectively than a poorly planned letter. This matter of letter form is of such importance that it will be given separate treatment.

Understanding. The business letter to be persuasive must be written so that it is clearly and easily understood. If the preliminary work of analysis has been well done this will not be difficult. Most difficulties of understanding proceed from the inclusion of too many ideas in the letter, especially those which are irrelevant. Misunderstanding is traceable also to faulty order of statement, and the vague use of words. Much of the vagueness in statements is due to the fact that the writer does not have a clear idea of what he wants to say. Analysis, therefore, is the proper cure for all of these difficulties.

Good letter form is also an aid in getting the letter understood. The proper indentation of the paragraphs, the spacing between lines and paragraphs, all help the eye to take in the message swiftly and accurately. It is possible also by proper spacing to visualize the relationships of different parts of the letter for purposes of understanding. Numbering paragraphs or setting paragraphs over on an indented margin, are examples of this. (See letters Nos. 5, 10, and 11.)

Belief. The letter must be so worded that the reader will believe the statements; this is especially true where the subject is of a controversial nature, or where a possible doubt of the truth of the writer's statements may enter the reader's mind. Thus, while one may have succeeded in attracting the initial glance of attention, and while the reader's interest may have been sustained to the very end of the letter, and the meaning of the letter may have been clear, yet the desired goal of favorable action on the part of the reader may not be reached because the letter is not convincing.

The first aid to obtaining belief is to make the meaning of the letter clear. One can not easily believe what he does not understand. But something more must be done; the reader's mind must be moved in such a way that he accepts the writer's view, changing his own opinion, if necessary, to do so.

There are two general methods of inducing people to accept a statement as true: one is by appealing to their thinking processes, submitting evidence, and presenting arguments; the other is to appeal to their emotions so that with a minimum of evidence they will be willing to believe what you say. Too great reliance should not be put on either method, and the successful letter writer will use both.

Whatever method is used, it is first necessary to make sure that in the analysis of a controversial problem both sides of the argument are taken into consideration. Unless the writer knows what objections may be brought against his proposal he is not in a position to make an appeal for belief. It does little good to ask the reader to accept your proposition even on very good evidence, if you have failed to remove from his mind a particular prejudice. Knowing what points must be made good before your proposition will be accepted by a particular audience, you are ready to present proof. Incidentally it is not good practice to refer to objections in the first letter or so. When a prospect has not shown interest a letter such as No. 12 may be used before giving up the prospect.

Conviction. The process of giving proof may be through the citation of authorities who are respected as experts, or whose testimony for other reasons carries weight. Examples may be pointed to. Where a large number of instances may be cited to confirm a statement of fact, a generalization is warranted. For example, if ten thousand men can be found who will testify

LETTER No. 12. From the circulation manager of a business publication to a prospect who has not responded to previous solicitations.

Dear Sir:

You have not yet sent us YOUR subscription to ADVERTISING.

Why?

It can't be the price, for it is only six cents a week; and one single idea would be worth more to you than the \$3.00 it costs for one year.

It can't be that you haven't time to read it, for you are too wide awake a man not to read any magazine that will keep you up-to-the-minute.

It can't be that ADVERTISING didn't fit your needs, for other men in your line wouldn't be without it.

It must be you forgot it in the press of other matters.

In order to fix your attention so you will DO IT NOW, I make the following exceptional offer:

Wrap three dollar bills in this letter, and I will send you ADVERTISING for one year and, without extra cost to you, your choice of our "Advertisers' Hand Book," "Imagination in Business" by L. F. Deland, or "The Ginger Cure" by Ralph G. Rose; and in addition to all this, our latest supplement of Paper Samples, size 10" x 12".

This is the fairest offer I know how to make.

Yours mutually,

that the qualities of the shaving cream you are manufacturing are the qualities they prefer, you may reasonably make the claim that your shaving cream will be universally acceptable to all men.

The analogy may be used to win belief. The general resemblance of one thing to another may be pointed to as support for the claim that a quality which is known to be true of the first object is also true (although not known to be true) of the second.

To illustrate, you are selling a bond by mail. Let us suppose it is a railroad bond and you want your reader to believe that it is a safe investment. You liken it to the bond of a well known railroad operating in the same part of the country. The

two bonds have like maturity, pay the same rate of return, have the same redemption clause, are secured by the same kind of property, etc. In the one case the bond is known to be safe, the safety of the other bond is what must be shown. But you argue that because your bond resembles the safe bond in so many essential ways, your bond also must be safe for the reader to buy.

Finally in attempting to convince the reader of the reasonableness of your proposition you may show causal relationship between two ideas. Either you may point to an accomplished fact and then allege the causes which account for it. Or you may point to the operation of certain causes and claim that they will produce a certain effect. The first method, that of reasoning from effect to cause, is illustrated by letter No. 13.

LETTER No. 13. A friendly collection letter from one business firm to another.

Gentlemen:

Why do good collections win business?

Because a man who keeps an account paid up feels a certain satisfaction in dealing with that concern. He feels that he is a privileged person, always welcome. If he lets the account lag, there is an irresistible temptation to go elsewhere for his supplies until the bill is paid.

So it's not only because we need the money that we ask you to send us a check to-day, it is also because we want all your business, and we want to quiet the little voice of conscience which might suggest that you place some of it elsewhere.

You want to feel the privileged customer you really are; and reward the low prices, the prompt shipments, and the superior value you have been getting from us with prompt payments.

That's why you are going to take the enclosed brown envelope to your bookkeeper now and say,

"Send a check -----."

Yours very truly,

The second method of instilling conviction by reasoning from cause to effect is shown by letter No. 14.

LETTER No. 14. From a consulting engineer to the chief engineer, to justify the rejection of a proposal for furnace equipment.

Mr. O'Neill:

In reply to your note regarding the possible adoption of the X.Y. proposals for furnace equipment I have the following to report:

The proposal was for a steel shell and frame:

1. We expect to operate at temperatures between 1500 and 2000 degrees F. and therefore if the steel shell is not insulated it will warp and cause the arch to fall in places.
2. If the shell is insulated the brickwork will become plastic and will require frequent repairs.
3. The weight is far too great to risk upon eight legs, working as we will at such high temperatures. The estimated weight of this proposed furnace is as follows:

Brickwork	32,000 lbs.
Cast iron and steel	2,000 lbs.
Total weight of furnace	34,000 lbs.
Total weight of copper	11,000 lbs.
Total weight supported	45,000 lbs.
Weight supported by each leg	5,600 lbs.

4. The introduction of this type of furnace for such heavy work was due to necessity. An emergency existed and temporary furnaces to meet the requirements were built along this line because of their low initial cost and the ease with which they could be removed when no longer required.

For these reasons therefore, I find that such a type of furnace is very objectionable.

Respectfully submitted,

Persuasion. This is the second general method of winning belief. It sweeps aside many of the details of the longer process of logical proof and makes a direct appeal to the reader's emotions. The method is a dangerous one when no previous analysis of the problem has been made. Persuasion does not mean omitting facts from consideration altogether, but rather treating the facts persuasively. This, of course, can not be done unless the writer knows what features of his proposition have the strongest appeal for his reader. Analysis is the trick which reveals these elements. The method of persuasion will be dealt with in relation to securing *action*.

Memory. As part of this discussion of presenting material in the most effective way, some attention should be given to the technique of fixing impressions, or in other words, giving memory value to the business letter. Favorable action depends in part on whether the reader has in his mind a clear and strong impression of its contents when he has finished reading the letter.

A number of devices are available for increasing memory value. Perhaps the simplest and most used is *repetition*. This may be the repetition of a significant word or phrase, or the more skillful repetition in different words of an important point in the letter. Consider for example in how many different ways the real estate firm in addressing its prospective purchaser may stress the convenience of location of the building lot in Suburban Heights. Nearness to rail and street railway transportation, school around the corner, church in the next block, stores one block north, etc., all this is but repetition of the single fact of convenience of location, but the effect on the reader is cumulative and he is not likely to forget it.

In letter No. 15 note how the same fact is repeated in different words.

LETTER No. 15. From a manufacturer of cash registers to retailers; the letter is supplemented by an illustrated letterhead.

Dear Sir:

Failure to Charge goods sold on credit is one of the greatest sources of loss in retail stores. This loss decreases your profit.

On busy days, when there are a great many customers in the store, it is very easy to forget to make a record of Charge transactions. YOU stand the loss.

What assurance have you that a proper record of all Credit Sales is made in YOUR store?

Our latest Model Cash Register will give you the same protection on your Charge Sales that it gives on your Cash Sales.

Mail to us the enclosed postal card. We shall be glad to explain the best Cash Register for your store, and tell you about our "Service."

Yours very truly,

Impressions may be fixed through *intensity*, that is by using some device which makes a sudden strong impression on the reader. Pictures of product or container in the letterhead or on the margin, especially when done in colors is an example of this method. Using forceful expressions or dramatizing the problem, as in letter No. 10 for example, stirs the emotions and makes the reader remember even against his will.

Slogans and other ingenious arrangements of words fix themselves in the mind because they attract attention through their cleverness and aptness. They are useful for fixing in the mind important selling points.

Short sentences, especially if placed at the beginnings and ends of paragraphs, have greater memory value than long sentences.

Action. Action (getting the reader to order goods, renew a subscription, join a club) is the goal set in most business letters. Unless favorable action results, the letter has been written in vain. Every step in the process of analysis and effective presentation is directed toward this end. **Persuasion** is the special method used to induce action. As already pointed out, persuasion is useful in obtaining belief and this leads directly into the process of securing action. One is not likely to act favorably unless he first has confidence in the proposal offered to him. Let us consider, then, the use of persuasion in obtaining action.

The successful use of persuasion for purposes of action begins with the selection of a single, practicable objective. Keep the reader's attention focused upon this single objective, never allowing him for a moment to be diverted to a different subject or to the consideration of an alternative course of action.

The next principle of securing action through persuasion is to make the task of reaching the objective aimed at easy and attractive. Do this by telling the reader just what he must do to comply with your wishes. If you want him to ask for further information provide a card or other form on which the inquiry may be made. If it is an order you desire, see that compliance with this is made less complicated by enclosing a simple order form. If information or a letter of recommendation is asked for, provide a stamped and addressed envelope for reply.

To make the task of the reader seem attractive, make it

seem worth while and profitable to him. Create a sense of value in the product or service you are offering. Make the reader's favorable action appear to be an opportunity for *him* rather than a favor to *you*. Talk the quality of your proposition, make it seem worth the money.

Take the "you" attitude in the letter. If there are any clever notions to be put across, let the reader, not the writer, seem to originate them. "The intelligent farmer thinks about costs per bushel as well as yield per acre. That is why we are writing to you about our labor-saving, low-cost farm tractor." Thus a farm implement company might begin one of its sales letters.

This "you" attitude means also having a sympathetic understanding of the reader's point of view, trying to see the problem from his angle. In this way objections may be overcome without antagonism.

Those personal qualities of the writer talked about in the first few pages of this discussion on Business Correspondence are sources of persuasive force in securing action. This is especially true of such qualities as courtesy, friendliness, fairness, tact, and sincerity. The peremptory demand, like its opposite, the fawning petition, must equally be avoided. When ordinary means of inducement fail, it is not unusual to make special offers or concessions, but this is a problem of price policy rather than of business letter writing. No. 16 is an example of a good action letter:

LETTER No. 16. From a dealer to a prospective customer just before Christmas.

Dear Friend:

I have just gotten back from the most interesting trip I ever took—a visit to Albany, Georgia, to inspect thousands of acres of sunny southern soil laid out in one almost continuous grove of paper shell pecan trees.

And while I was there I did something for YOU. I bought the cream of the crop at a price that enables me to offer you this year the finest big paper shell pecans ever grown, at a price that you won't find duplicated in any store.

In Albany I learned that the terrific wind and rain storm which struck Georgia and other southern states in

August tore through the pecan growing belt and knocked fully 40 per cent of the nearly matured nuts off the trees. This meant a short crop and a limited supply but it also made the nuts that stayed on the trees that much better, more plump, meaty and delicious.

As these fine nuts come from the trees they are graded for size by machine, that selects the biggest, fattest nuts for you, then they pass over a slowly moving belt from which the inferior, spotted or broken nuts are carefully removed by hand. The rest go into boxes ready for your home table.

If you could buy such nuts as these at your fancy grocery you would gladly pay \$1.25 a pound for them. But I have them packed in neat five-pound boxes ready to deliver to your home for only \$4.85 per box, prepaid.

How many boxes can you and your friends use?

There is a convenient order card enclosed for your use. Sign it and mail it back to me at once. I'll ship the nuts promptly with the understanding that you will find them the best you ever saw or you can return them at my expense and you won't owe me one cent for trying them at my risk.

Send no money now unless you wish to. I will gladly give you the privilege of sending your check for \$4.85 per box after you have tried the nuts. Could I make any more liberal offer to bring this real Southern treat to you for the holidays?

Yours sincerely,

From the point of view of presentation, then, the letter must first be seen; that is, attended to. It must be interesting; it must be understood; it must be believed; it must be remembered; and it must be so phrased as to induce action.

THE FORM OF THE LETTER

It has already been indicated in the previous chapter that the form of the letter had much to do with the easy understanding of its contents, and with creating a favorable impression on the reader. Lapses from good form in the letter are more serious than in other written communications because of the personal significance which attaches to the letter.

A good grade of bond paper should be used, preferably white

in color unless there is a special reason for the use of tinted paper. Letter No. 17* indicates a standard form of business letter as established by a large corporation. Uniformity of style and appearance in all letters written by a concern is obtained by issuing a standard form such as this, and requiring all stenographers to follow it. Other companies have established standards in style which vary from this letter in minor details. However, letter No. 17 is a good and well accepted business style. Carefully read the instructions to stenographers as given in the letter, and note how they are followed out in the arrangement.

Note first the general appearance of letter No. 17; see how well placed it is on the letter page. If lines were ruled perpendicular to each other through the center point of the sheet of paper, equal weights of typed matter would be found in each of the four segments of the page. In other words, the letter has balance.

Balance is secured by a proper arrangement of the margins at right and left, top and bottom of the typed material. The letter should be centered on the page. When the letter is short, a smaller sheet of letter paper should be used or the margins at top and bottom increased. A minimum of two inches should be left for the complimentary close and signature. When continuing a letter on a second page, allow a bottom margin of one and one-half inches on page one.

Care should be taken to keep the right-hand margin of the typed material as even as possible, but one should not hyphenate words excessively in order to do this.

Single space all letters and allow double space between paragraphs.

When writing letters of more than one page, head the second and subsequent pages with the name of the addressee, the page number, and the date:

Mr. John Lee-2

October 1, 19—.

This heading should be placed one inch from the top of the sheet, one and one-half inches from the left-hand edge of the paper.

Start the body of the letter on the second sheet two inches from the top. Never write less than two lines of a letter, not

*Quoted from the Stenographic Manual of the Eastman Kodak Company of Rochester, New York.

LETTER No. 17. Standard form of letter used by one large corporation.

EASTMAN KODAK COMPANY
Rochester, N. Y.

October 1, 19—.

Eastman Kodak Company,
Rochester, New York.

Gentlemen:

Attention of Stenographers.

This letter is written in accordance with the standard form adopted for Eastman Kodak Company letters.

Set the paper guide on your typewriter so that when the paper is inserted and the marginal stop set at 10, the left-hand margin of your letter will be $1\frac{1}{2}$ inches wide. The right-hand margin should be the same width.

Write the date two spaces below Rochester, N. Y., so that the end of the date line will be approximately even with the right-hand margin of the letter.

The name and address should be written in block style as shown above and the salutation two spaces below. The body of the letter should begin a double space below the salutation. If the letter is directed to the attention of an individual in a concern, write "Attention of Mr. Blank" as shown above.

Indent paragraphs 10 spaces. This can be accomplished by setting a tabulator stop at 20. Allow double spaces between paragraphs.

In closing, write "Yours very truly," two spaces below the body of the letter. Allow two spaces between this and the signature, EASTMAN KODAK COMPANY, starting both lines at 40 on your typewriter. If the name of the department or position is to be added, place it four spaces below the Company's signature, starting at 40.

The dictator's and the transcriber's initials should be written at the left, a double space below the Company signature, or on a line with the department name if one is used.

Yours very truly,

EASTMAN KODAK COMPANY

MBF:HHG

Assistant to the President

counting the close and signature, on a second page. Rewrite to carry more lines over or crowd to get on a single page.

The formal construction of the letter is made up of the following parts: Heading, Address, Salutation, Body, Complimentary Close, Signature.

Heading. The heading contains the address of the writer and the date. Practically all business firms carry the name and address of the firm in their printed letterhead. The date should be typed as shown in the model form.

Write the name of the month in full:

November 21, 19—.

Never use: 11/21/—. Do not use the endings *st*, *nd*, *rd*, and *th* when writing dates in the *heading* of the letter.

Address. The address of the letter contains the name and address of the person written to. It is usual to include the street address. In this way the carbon copy carries the complete address.

If the letter is written to an individual in a business firm, write the name of the individual first, as follows:

Mr. Henry Jones, Secretary,
The Laycock and Smith Co.,
285-7 Wabash Avenue,
Chicago, Illinois.

The name of the individual may be omitted in the address and the form of the model letter followed:

The Laycock and Smith Co.,
285-7 Wabash Avenue,
Chicago, Illinois.
Gentlemen:

Attention Mr. Henry Jones, Secretary.

The punctuation at the end of each line in the address may be omitted, except periods after abbreviations.

Courtesy demands that the name of the firm addressed be spelled exactly as in the addressee's letterhead. In writing sales and credit department letters to customers, the address should always agree with the company's record of the account.

Business titles such as President, Vice President, etc., should always be included in the address when writing to an official of the company. The title is placed on the same line with the name unless it is unusually long, when it should be written on a separate line following the name. It is not advisable to abbreviate such titles.

When addressing an individual always use the title of courtesy: "Mr.," "Miss," or "Mrs.," as the case may be. If, however, a business is operating under an individual's name, no title is necessary, as:

Charles Scribner's Sons,
520 Fifth Avenue,
New York City.

When a firm name consists of the names of two or more individuals, use simply the firm name; the use of "Messrs." is out of date:

Brown and Smith,
Omaha, Nebraska.

Salutation. The salutation is limited to the usual forms of "Gentlemen" or "Ladies" when addressing a company or group of individuals. "Dear Sir" or "Dear Madam" is used when the letter is directed to "Attention of Mr. (Mrs. or Miss)." The form "Dear Sirs:" is going out of use. The following forms are correct:

Dr. Leon C. Marshall	- Dear Sir:
Reverend M. R. Jones	- Dear Sir:
Mrs. W. T. Foster and Son	- Dear Madam and Sir:
The Railway Equipment Co.	- Gentlemen:

Body. The rules for the arrangement of the body of the letter have already been given in the model letter. In letter No. 17 the first line of each paragraph is indented. As an alternative plan of paragraph arrangement, the block type may be used as:

This paragraph is written in the block form in accordance with the standard form adopted by some business houses. Note that in the block form the first line of the paragraph is not indented but is brought out to the same margin as are all other lines in the paragraph.

There is also the so-called "underslung" arrangement; that is, every line of the paragraph, except the first, is indented:

Set the paper guide on your typewriter so that when the paper is inserted and the marginal stop set at 10, the left-hand margin, etc.

This is objected to by some executives because of the ragged left margin. Where paragraphs are short, as in some of the letters quoted, the block type style is preferable to indentation.

Tabulated and quoted matter in the body of the letter (see letter No. 14) should be indented on a separate margin.

Complimentary Close. The complimentary close is a conventional form for closing the letter. It should not be written in the same sentence with such closing phrases as:

Hoping to hear from you. I remain

Yours truly,

Write the words of the complimentary close as in the model letter. The following forms are correct:

Yours truly,
Yours very truly,
Sincerely yours,

Yours most sincerely,
Respectfully yours,
Very respectfully yours,

Use "Yours respectfully," and "Very respectfully yours" when writing to officials of high rank.

Signature. The signature should be written below the complimentary close and to the right, but should not extend beyond the right-hand margin of the body of the letter.

In letters from individuals, the name of the writer should be typed four spaces below the complimentary close, leaving room for the written signature between the complimentary close and the typed signature.

In letters from firms, the typed name of the firm is written two spaces below the complimentary close. The pen signature appears between the firm name and the typed name of the officer. Below the typed signature appears his title.

EASTMAN KODAK COMPANY
R. W. Brown (Signature)
R. W. Brown (Typed)
Secretary

The title may appear on the same line with the typed signature: "R. W. Brown, Secretary." The word *by* should not precede the pen signature when an official signs his name.

The initials of the dictator and the transcriber should be placed at the left-hand margin, two spaces below the company signature or in line with the title of the individual, if used.

If enclosures are to accompany the letter, *Enc.* should be written one space below the dictator's initials.

When folding the letter for enclosure in the envelope, fold up the bottom edge until it is about one-half inch from the top and crease; then fold over from the right a little more than one-third and crease. The remainder of the letter is folded over from the left. It should be enclosed in the envelope with the free edge toward you.

BUSINESS CORRESPONDENCE

PART II

LETTERS TO FIT VARIOUS BUSINESS NEEDS

Prepare now for an interesting journey through the various departments in business where letters are used in a multitude of contacts between the company, its customers, and the public. In the preceding part of this discussion, you have studied the *mechanics* of the letterman's job—what forms he uses to get the best results, how he avoids the “rubber stamp” language of the past, how he carefully selects the right approach to his various readers, and all the other fundamental principles involved in the construction of a good business letter.

But now you are going to investigate the important *types* of letters that are used for specific purposes in business—letters to increase sales, letters to supplement the work of the salesman, letters to build good will, letters to collect money, etc. Of course, there are thousands of situations handled by correspondence in everyday business, but the majority of them fall into major groups, and you need not bother about the variations. Study the many examples which will parade before you, and when the last one has passed, you will have a workable knowledge of the subject—of great value in any position that you may hold, now or in the future.

It's all rather fascinating in a way. A business letter is a bridge that covers the space between the reader and the writer. Two human beings meet to discuss a problem of mutual interest. That meeting can be friendly and interesting, or it can be just the opposite. A letter can build, or it can destroy, goodwill. The net result depends on the attitude and tactfulness of the writer—whether or not he can approach his reader with tolerance and understanding, whether or not he possesses the genuine desire to be of service.

Obviously, a good many letters being written in business today fall short of that ideal. The writers irritate rather than please, they humiliate rather than encourage, they “fly off the handle” and say a lot of things which anger their readers, and are detri-

mental to the business. But such letters have no place in this discussion. We are interested only in business letters as they should be written. The examples given are all taken from actual business life. They represent how various companies are handling correspondence problems in the *right* way. They are guides that you can follow with complete confidence.

While the first examples are so-called "Sales Letters," you should not think of them as apart from other functions of business. No letter is ever written in business which does not have some indirect influence on sales. For that reason, the leading lettermen of America have adopted the slogan, "Give every letter, no matter what it is about, a sales twist." Even the collection manager, whose chief duty is to collect money, can make his letters so friendly that they will build goodwill—and goodwill will always be the root of sales. Keep that thought in mind as you read the various letters which are to follow. Remember no letter is a good letter unless it carries along with its specific message, a spirit of friendliness which will please the reader.

But certain letters are written primarily to increase the sale of the products—they are the ones we will now investigate.

THE SALES LETTER

Obviously, there are only two ways a sale can be made—either by a personal call, or by mail. The latter method has certain advantages which business men have been quick to recognize. A letter goes direct to the desk of the person to whom it is addressed. It is sure to get an interview. A letter saves time and costs little. Many calls can be made by mail at a cost no greater than one in person. If the salesman finds his prospect is out of the office, he must go back again to see him. Not so, the letter. It stays in the prospect's office until he returns. Furthermore, it is easy to check the results of a sales letter mailed to a large list of prospective buyers. From that result, it can be determined whether or not it will pay to send the same letter to a much larger list. There is not much guess-work about selling by mail. You can always test your letter on a list of one thousand names, knowing that the same percentage of orders will be "pulled" from any other similar list.

Coming down to brass tacks, there are *four* things that you must accomplish in a sales letter. First, you must capture the *attention* of your reader. Failing to do that, your letter is quite likely to

be swept into the waste paper basket. Second, you must quickly change that casual attention to reader *interest*. That makes your reader want to go a little farther with you. Third, you must increase his interest to the point where it becomes *desire*—a desire so strong that he “itches” to possess the thing you are talking about. Fourth, you must end your sales letter with a decided urge for immediate *action*. You must *make it easy* for the reader to buy—leaving no doubt in his mind that you are confident of a favorable reaction, and telling him how to proceed.

It would be folly for anyone to cut one exact pattern for the writing of the first paragraph in a sales letter. There are many ways to do the job, and the plan which seems appropriate for one letter might be wrong for another. Certainly, however, there is one fault in the opening of a sales letter which always needs to be avoided, and that is the use of “canned” expressions. The writer who starts with, “In response to your kind inquiry of even date,” or “We are in receipt of yours of the 21st instant,” is using language which kills rather than awakens reader interest.

Unless you have chosen to start your sales letter with an interesting story, or perhaps a startling question, or by quoting from some famous person, there is no better way than to get under way quickly. Why fool around? You have something important to tell your reader. *Begin.*

Questions, of course, nearly always get immediate attention. There is something about a question which seems to demand an answer. You can remember no doubt the times in school when your teacher brought you out of a coma by pitching a question in your direction. It is a device which often works miracles in getting a sales letter started.

“Testimony” is another plan which has strength. We are all more or less “monkey see, monkey do” folks. We are hero-worshippers and like to imitate great leaders. Consequently, the story dealing with a famous person, or the quoting of something he has said, makes good ammunition for the opening paragraph. The mere mention of Lincoln, Ford, “Teddy” Roosevelt, Mark Twain, or any other equally well known personality, quickens the reader’s interest.

Another method, favored by some sales letter writers, is to start with a philosophical statement. We are all “cracker barrel” statesmen at heart, and our attention is challenged by anything that pertains to life, morals, etc. For example, Jack Carr, a

celebrated letterman, starts one of his sales messages with, "We laugh at the heathen who believes that slips of paper will frighten away the devils who devour the dead." Well, most of us are not familiar with that custom—we continue reading the letter to see what more is told about it.

Stories, as you will agree, never fail to get attention—not if they are interesting stories. Probably a third of all sales letters used in business today take off with a good tale. Often, these stories tickle the funny bone—sometimes, they are very human accounts of success against great odds. The sports world particularly has many fine chronicles of achievement—they make excellent starters for sales letters. Suppose, for example, you got a sales letter which began: "Sportsmen will never forget Black Gold, winner of the Kentucky Derby in 1924. In size, he was hardly more than a pony, but never ran a horse with so big a heart. Many years have passed since that chunk of black dynamite went to the post the last time, but strong men who were at the track that day are still not ashamed of tears when they tell what happened." Could you possibly read that introduction, and not want to continue? Wouldn't you want to know why strong men weep at the mere mention of Black Gold's last race? Of course, you would. You are probably wondering even now as you read this book.

Humorous stories also click as introductions to sales letters. We all like to laugh. But one trouble with them is that their life is short. A funny tale "goes the rounds" in quick order. A new one today is an old one tomorrow. And nobody is much interested in a story that he has heard before!

You can think of many other ways that good sales letters get started. It is not necessary that all of them be discussed here. The problem in each case is to get the reader's immediate attention—to make him want to travel along with you in the rest of your letter. Assuming that has been accomplished, the next step is to change that first attention to sustained interest, and finally to deep-seated desire. It is the "body" of your letter which does that part of the job.

It is the body of the sales letter that carries the greatest load. Many a letter starts well but sputters in the middle. The problem is to keep the spark of interest hot.

Before the voyage, the capable skipper charts his course. You might plunge into a sales letter without a plan, and by accident

emerge with a good presentation—but it seldom happens. There is more miss than hit in the hit-and-miss system. The man who leaps before he looks is quite likely to land no place in a sales letter. What he writes will not have the unity so necessary to clear understanding.

Before writing a word, then, you must have a *plan*. You must think your way through before you begin. You must ask yourself: (1) Just what am I trying to accomplish? (2) Do I have all of the facts the reader needs to know? (3) What kind of a fellow is he? (4) What arguments will most appeal to him? (5) How can I arrange my arguments to make the whole case most convincing?

The man who gets your letter is probably very much like you. He is a decent chap but has his own opinions. Because you think a certain way, you can't take for granted that he does too. The more you get to know him, the better you will be able to talk his language, and win his favor. Your job is to fit the sales argument to the particular reader. One man when buying an automobile thinks of durability, another of speed, a third of beauty. The nearer you can come in your sales letter to "writing the reader's ticket" the more chances you will have of getting his order.

Furthermore, a lot depends on how you arrange your arguments, which should come first, which last, and which in the middle. There is always one best combination, and you must find it.

Also, the majority of sales letters try to cover too much ground. Pick out the most striking points in favor of your product and skip the others. If the story is a long one, and must be told, then a series of sales letters will be necessary. Don't try to make your reader eat two meals at one sitting. They will glut his appetite and kill his interest.

Your sales letter must move along rapidly. There must be no breaks in the flow of thought—not to interrupt the reader's interest. Use connecting words between paragraphs—bridges that the reader can walk across.

The above are the most important factors in building the body of your sales letter. Once the reader's interest has been aroused, it must be fanned with a spirit of friendliness and sincerity. Antagonize him at any point, and you have lost the sale.

Now, last of all, how should the sales letter end? In the last paragraph or two you are trying to stimulate action. It is no time for you to be timid. A lot of conclusions in sales letters are too "soft." They leave the reader dangling with nothing to do.

They don't ask him to sign a card or to telephone. They give him time to cool off. At the very moment when he needs a strong prodding he gets a gentle push.

The first requisite in concluding a sales letter is to show absolute confidence in your mind that the reader has been sold. Remember, that psychologically he is standing on the point of a needle. He may fall toward you—he may fall away. You can't leave him standing there. Show him *where* to jump—and *how*.

Having made your sales points in the body of the letter, you must now *make it easy* for the reader to reply. The most propitious time for getting a favorable reaction to any sales letter is the moment when the reader has just finished it. Your chances decrease in proportion to the length of time that he waits to reply.

So give him something to do. Tell him, for example, "Don't trouble to dictate a reply. Just write 'O.K.' on the bottom of this letter and shoot it back to us in the enclosed stamped envelope." That's striking while the iron is hot. Make it easy for him to act, and you have increased the chances that he will.

Many untrained letter writers still insist on the unnecessary "complimentary close." They state their case, come to the climax, and then let the reader down with such formal expressions as "Hoping you will take advantage of this opportunity, we are," or "Trusting to hear from you soon, we beg to remain." Such "canned" expressions absolutely take the punch out of a sales letter. There are three or four wishy-washy words that are often seen in the conclusions of sales letters. They are negative words, and imply doubt in the writer's mind that he has accomplished his purpose. For example, don't say, "*If* you will sign the enclosed card," or "*Trusting* we will have your order by return mail," or "*I hope* that you can now see the advantages of our proposition."

There is no better way for you to master the principles of sales letter writing, than by studying letters which have actually been used to increase sales in everyday business. You should analyze every sales letter that comes in your own mail—seeing how the writer does or does not get your attention at the start, how he does or does not build desire in your mind, and how he does or does not spur you to favorable action in the close.

To help you in this study, however, you will find the following tested sales letters of great interest. They were written by some of the best lettermen in our country. They all did a good job.

LETTER No. 18. A well constructed sales letter with interesting introduction, convincing arguments, and a strong conclusion.

Dear Mr. Mitchell:

You don't know me from Adam. But, when you know why I am writing this letter, I believe you'll be glad to read it clear through.

I want to make you a present of a necktie! Does that sound funny? Well, it's the straight truth! And no ordinary tie, either, but a handsome, soft-patterned, rich, all-wool, tie that we retail at \$1.50. You can have your own choice of color and design. Just pick the tie you want right out of the case and take it home with our compliments.

Now why should I make you, whom I have never had the pleasure of meeting, an offer like that?

Simply because I want you to come in and get acquainted with this store, so you will know about it next time you need a new suit or overcoat.

You see, we are different from any other clothing store in Chicago. We started five years ago with the idea that up along the North Shore there are business and professional men who appreciate fine fabrics and good tailoring and who would like to choose their clothes leisurely in a quiet, convenient man's kind of shop. No hurry, no high-pressure selling - just real intimate understanding help in getting the kind of clothes you really want.

Then there's another way in which our store and our clothes are different. Of course, they are correctly styled and beautifully tailored. But we have found that men are especially interested in the beauty and smartness and "feel" and long-wearing quality of the fabrics in the clothes they buy. And that's where we have something special for you. We are directly associated with the famous Kenwood Mills at Albany, New York, one of the largest importers of English, Scotch, and Irish wools in the United States.

We know exactly what kind of wool has gone into every suit and overcoat in our stock. We go down to the Mill and see these wools being selected; we sit in with the designers in styling the patterns; we see the fabrics being made by a group of the finest weavers in the world - barring none! Then we have the fabrics made up for our Chicago customers by a famous Rochester tailor who is just as particular about his workmanship as we are about our wool and weaving.

So you can understand that when we show you a smart new Climateer Topcoat, for example, we can tell you why it is so warm and supple and lustrous and why it is both water- and-wear-resistant, because we know its pedigree all the way from the sheep's back to your own!

But I'm getting away from that necktie. What I started to say was that, because we're the kind of a store we

are, we have tried to build our success through a superlative service to men along the North Shore. Starting from scratch 5 years ago, we now have 3,000 such men coming to us regularly for their clothes. The number keeps on growing, for we find that one man tells another - and nothing is quite so convincing as the enthusiasm of a satisfied customer.

I believe that if you, too, could just come in and see for yourself the kind of clothes and service we have here, you'd surely remember us next time you are thinking about clothes.

So just drop in and bring this letter, and ask for me personally, you can pick out the tie with our compliments. No conditions. No obligations. It's just a gift in appreciation of your visit. The offer is good until Saturday, October 23, but why not come in right away while there's a wide variety to choose from? The Store is open every day from 9 to 6. And please ask for me.

Cordially yours,

LETTER No. 19. Showing how a good follow-up sales letter can be built around a humorous story.

Dear Mr. Carter:

I feel a little like Bill Stebbins. At plain and fancy cussing, Bill could give cards and spades to anybody in Blair County.

On even the most ordinary occasions, Bill's conversation smelled of brimstone, and under provocation - well, it simply burned your ears off.

One day, after the express had gone through, when everybody and his brother were coming down the steep hill from the station, Bill was driving his team up with a load of the White Star Orchard's finest Alberta peaches.

Half way up, the binder rope broke and every darned peach in the load fell out and rolled down hill. Somebody yelled at Bill - and the women and kids, fingers in their ears, ran for shelter.

Bill hopped off the seat, walked around back and looked everything over - let fly a mouthful of tobacco juice - took a reef in his overalls - and turning to the assembled citizens, said quietly:

"Ladies and Gentlemen - I know what you're expecting. But, honest, I'm not equal to the occasion."

To date, I've written you several letters about your lapsed Reliance Life policy, something you need and should take care of. I hate to see you lose it, because I know you'll always regret doing it. But I've never had a word from you. I guess I'm like Bill - "not equal to the occasion."

Won't you either send in the completed health certificate with your remittance - or, at least, write on the back of this letter: "It's all right, old timer; you've done your part," and shoot it to me, so I can get this matter off my conscience? I'll certainly appreciate it.

Sincerely yours,

LETTER No. 20. The quotation from twelve-year-old George Washington gets quick attention.

Dear Ed:

"I shall marry a beautiful woman; I shall be one of the wealthiest men in the land; I shall lead the army of my colony; I shall rule the nation which I help to create."

Do you know who wrote that?

George Washington wrote it in a letter when he was only 12 years old.

When a boy makes up his mind what he intends to do in life at an early age, he has a big head start over most men.

I cannot tell what you intend to do but I can tell you how you will have the best chance of making your dream come true. It is by starting a bank account now, and keeping on saving for a purpose.

We would like to have you start that account at the Washington National Bank because your father has his account here, and because we know that if you start it and keep it up that some day you will be one of our best customers.

Come in any time, walk right up to the counter at the right of the entrance and ask for Mr. Beal. He will start you off on any amount from \$1 up.

Very truly yours,

LETTER No. 21. Highly interesting, with its fascinating historical background, this letter has all the power of good fiction.

Dear Mrs. Danford:

A short time ago, in one of the locked rooms of the Metropolitan Museum, I saw a rug and I want to tell you about it.

It was an old rug, of a motif that predates Christianity; an example of a handicraft born before history and which lives on, owing nothing to modern science or invention.

This rug had been cast over a group of chairs, obscuring them under its negligent folds.

Within the room there was a stillness, faintly accented by the staccato voice of a distant "Elevated." Outside, just beyond the huge expanse of plate-glass window, a gusty wind had arisen and was chasing rubbish up and down the street.

I straddled a chair, folded my arms on its back and stared at the rug. It was at one and the same time the most subdued and the most vivid object I had ever beheld. The longer I looked, the more did I wish to look. Here was the immortal germ of artistic creation, woven by mortal and unknowing hands, - the sole perpetuation of a vision, dreamed long ago and far away.

I gave myself up unconsciously to a long journey. I saw a blistered hillside; against it the sunbaked wall of a flat-roofed hut; and against the wall, beneath a crude scaffold, a rude loom. Below, a rough roller; above it a dull cotton warp golden brown by reason of the dazzling glare, and suggesting a foundation as basic as the earth itself. High up, the balls of yarn, a rare gaudy blob here and there, but most of them as the blossoms in a rose garden.

Most fascinating of all to my gaze, however, were the thin-fingered hands that plied against the cumbersome skeleton.

I saw no bodies, only hands. I saw these hands change from youth to old age; one moment smooth with the oil of youth, and the next wrinkled and dry in old age - changing hands, but always the same rug, making light of a lifetime though itself not yet completely born.

With the passing of a decade, the weft shot from left to right; another ten years of brown-fingered painting of still music on a harp, and back went the weft, locking beauty in its cage. And always, just beneath the level of the hands the pattern developed resplendently, until finally this vibrant, enduring fabric - with its strange power of remaining unsullied, or smiling across the centuries - was completed.

Pressed by lips, knees and feet long since decayed; familiar of shrine and prayer, of castle and orgy; background for the changing web of soiled humanity; victim of the mart, bought and sold, sold and bought - and yet retaining within itself that indestructible essence of purity which dwells forever within the trampled soul of beauty.

How many rugs of this kind are there in existence today? Not very many to be sure - that is, if one demands AGE as well as enduring beauty. But there are hundreds of masterpieces today possessing all the subtle charm, romance, beauty and that indefinable something we in the Oriental Rug business call "soul."

Yes, we have them right here in Binghamton.

If you demand something MORE than just so many square feet of floor covering, come over to Clinton Street and see these creations of the weavers' art. Look at them.

Look through them and see the artist's soul caught up in a web of wool.

You will not be importuned to buy, but should you perchance be interested in possessing one or more of them for your very own, you will find the prices most reasonable.

We consider it a pleasure to display these treasures, and we hope you will come.

ELLIS BROTHERS & JOSEPH

LETTER No. 22. Here again the use of a famous name helps a sales letter get under way. The desire to serve the prospect well is also strongly expressed.

Dear Mr. Jones:

Mark Twain once remarked:

"Always do right. This will gratify some people, and astonish the rest."

Perhaps that's one of the reasons our Service Department is so popular. Our aim always is to "do right" by our customers and their cars.

But there isn't any trick to that because our Service Shop is better equipped to keep cars in perfect running condition. More so, we believe, than any other non-specialized headquarters in the city.

The boys here are born mechanics. Visitors and customers are always welcome to thoroughly inspect their work. They don't attempt to hide it, because they are proud of it! Besides giving efficient service, they are mighty interested in seeing that you get friendly treatment. You'll feel at home here ... and like it.

From the first analysis of your car's trouble by Ed, the foreman, every one concerned wants to give you his best. And does.

So this, our first letter contact with you, is just a real friendly invitation for you to visit us. When your car is ill let our doctors examine it. The diagnosis costs you nothing - obligates you to nothing.

In all friendliness,

LETTER No. 23. This sales letter takes time to prove every point made—a masterpiece of re-selling an old customer.

Gentlemen:

I wonder if there is a more abused word in a manufacturer's vocabulary than "quality"?

Ever since you gave up the Gates line several years ago I suppose you have heard it from every tire manufacturer that has written to you. In going back through my correspondence, I see that I've been as guilty of hiding behind this vague word as anyone and I'm sorry.

Your splendid sportsmanship, courtesy and consideration in giving us another chance to supply your tire requirements certainly deserves better than that. Let's take this mysterious thing called "Gates quality" apart so that you can really see what you're buying.

On July 19 two 32 x 6 Gates Vulco truck tires left here for your garage. You can watch these two samples, study them, and no matter what I might write you about quality you will be able to judge it for yourself. But here are the specific reasons why we are confident you will agree that Gates tires are the finest you can offer your customers:

1. The tires are built with a denser rubber tread. For the same reason an oak floor will outwear a pine floor, the new Gates tread will give you from 5000 to 8000 more miles of wear. The enclosed pamphlet goes into detail about this point.
2. The cords which make up the carcass are the highest grade we can buy. But that's not enough. Every individual cord is soaked to the very core in pure liquid rubber (Latex), the strongest rubber known. It is this process which eliminates all cord separation after curing - giving you and your customers real blow-out protection.

There are many other quality features in Gates tires, but these two are the vitally important ones.

As I said before, you can watch and judge the tires for yourself. But - you can't watch the tube and it is equally important.

In fact you'll be interested to know that nearly all the complaints you received several years ago that caused you to give up the Gates line were directly traceable to tube failures under intense heat. The damage showed up in the tire, but the trouble originated in the tube.

Along with the two truck tires we have sent you two new black heat-resisting tubes. They are the very latest development and are designed specifically for service in intensely hot countries under severe conditions.

The tubes we used to supply you with were red. In describing the tests these various tubes have gone through I am going to refer to them as the "old" red tubes because since the time we first manufactured them we have developed a better heat-resisting red tube. It is good, but it isn't in the class with the black tube.

Here are the results, the actual put-your-finger-on reasons why we know you will be satisfied with the new black tube. Just study these tests:

1. Wheel tests simulating actual road conditions:

The tube is placed in a tire and run at a high speed, under a heavy load, against a massive fly-wheel studded with iron lugs.

The outside temperature of the tire reached 210 degrees Fahrenheit to 214 degrees Fahrenheit. The inside temperature of the tire and tube was, of course, a good deal higher, probably being around 300 degrees Fahrenheit. (Actual road tests in Texas have shown similar temperatures, and no doubt they are not at all unusual in British East Africa either.)

The breaking strength of both the black and the red tubes before being placed under this test was approximately 3500 pounds.

After less than one hour's service the red tube had melted and run down in the tire. It was totally destroyed. This red tube was the type manufactured by us several years ago.

The second red tube (of a later design), incorporating as much heat-resisting quality as can be placed in stock of this kind, ran for twelve hours before it was totally destroyed. This tube, however, grew from $1\frac{1}{2}$ inches to 2 inches in but a very short space of time and would have been useless for further service. This growth is quite rapid, and shortly after the start of the test it would have been impossible to replace the tube had it been removed from the tire.

The black heat-resisting rubber tube was run on this test for thirty-three hours. At the end of that time it was still serviceable and there was no sign of growth. At the end of the thirty-three hour run the black tube's breaking strength was 2000 pounds, while at the end of an hour's run the old red tube had been completely destroyed.

2. The Air Bomb Test:

Both the red and the black tube had a tensile strength of 3530 pounds at the beginning of this test.

The tubes are placed in a closed mold with 80 pounds air pressure and a temperature of 290 degrees Fahrenheit.

After ten minutes of this treatment, the red tube was soft and its tensile strength had been destroyed.

At the end of three hours the black tube was removed, still fit for service, and it had a tensile strength of 2690 pounds.

And as one more specific piece of evidence, Mr. V. L. Smithers of Akron, Ohio (an independent testing engineer for rubber products) bought 142 tubes of many different

makes on the open market to test in his own laboratory. We purchased a copy of his report and it is gratifying to see that Gates black heat-resisting truck tube is equal to the very best that our competitors can offer and is far superior to the run of the field.

Well, we've taken those words "Gates Quality" apart. You've read what it's made of - what goes into it. In the three years that have passed since we last did business together we've done a lot with it.

Now you'll understand how happy we are that you've offered us your hand in friendship again. Thanks for this new opportunity - believe me, we're certain you'll never regret it.

Cordially,

LETTER No. 24. Who could read this letter without wanting to try a skittle?

APPETIZING, HEALTHFUL and SATISFYING —

This is the SKITTLE - born in the shadows of Hollywood hills and nurtured by famous movie stars.

Friend of the waist-line, easy to digest and nemesis of hunger, SKITTLE is a sandwich three times bigger than the low-born hamburger and five times as good.

Ground veal from itsy-bitsy baby calves, snatched from clean, green pastures, garnished with mild, dry-eyed onions, topped with blushing tomatoes and a crunchy, spicy relish, all tucked in a big, over-sized bun that's been toasted to a golden brown and - ah! You have a creation of the gods - THE SKITTLE.

It's truly a meal in itself and all for a paltry fifteen cents! You will want to try one and as a get-acquainted offer we will furnish one for half the regular price. Here's how you do it:

Just bring this letter and a friend or party in some time before the first of March. You order the first one and the second will be on the house.

We're located at 4937 Main on the east side of the street. There's lots of room to park your car and we stay open until 2:00 A. M.

Come up and see us some time. Bring your friend and the letter.

P. S. We have dandy chili, too.

LETTER No. 25. The strong human appeal in this sales letter is hard to resist. Along with it was mailed a picture of one of the boys.

Dear Mr. Harrison:

I hope you slept well last night - I didn't. I kept thinking about the youngsters who have been coming to us here at Travelers Aid ever since those first few warm

days we had; boys of twelve - fourteen - sixteen - all of them bitten by the urge to travel.

I kept thinking, too, about the hundreds more of whom these are just the first harbingers - typical American boys, arriving here all hours of the day and night - hungry and dirty and weary.

Of course it's wrong for them to leave their homes - most of 'em, that is. I don't blame some of them, and neither would you, if you knew what they left. It's an old story to us: family on relief, which means a mere subsistence diet (try and raise a 14 year old on that!); father not working or no longer at home (a surprising number have deserted); lots of brothers and sisters (the smaller ones invariably sick from mal-nourishment).

Is it any wonder that the 'teen age boys run away - believing that in so doing there'll be more for the younger ones to eat - hoping somewhere, somehow to find something better? A hundred years ago, you'd have called them pioneers - now, they're just dependent non-resident juveniles and somebody has to take care of them.

We feed them and house them temporarily and get in touch with the home community to find out why they ran away and what can be done to correct home conditions before they're returned. Sometimes, of course, it's pretty hopeless and occasionally we even recommend that a boy be kept in Chicago where he may have a chance.

Whichever we do costs money - and it's money well-spent. These boys are not pampered, but they are taken care of. We're not apologizing for them - we're sincerely trying to help them. That's a difficult job here in Chicago and if you think it's worth while and would like to help by sending ten dollars we'll be mighty glad to have it.

Sincerely yours,

LETTER No. 26. A follow-up sales letter after the reader has displayed interest in a previous mailing.

Gentlemen:

It was, indeed, very kind of you to send that card from our recent mailing, asking for information on our computer pumps. So that you might have the benefit of an expert in the application of service station equipment, we have asked our good friend R. P. Leinberger, District Manager, with headquarters in your city to come over and talk this over with you right away.

Of course, the computer pump does add a definitely increased earning capacity to your place of business. You can sell your customers by dollars or cents, or by gallons, and often times, the five gallon buyer can be prevailed upon to make it an even money sale, buy a dollar's worth or a dollar and a half's worth, or what not. In filling tanks, you can fill them full, and the price of

the gasoline delivered is immediately computed in an easily and reasonably payable amount.

In addition to that, the novelty hasn't yet worn off of the computer pump, and people like to go to it to buy gasoline. Those are the reasons that you see increases of from 12% to 70% wherever computers are put in.

Mr. Leinberger can help you determine just exactly the earning power that this type of equipment will bring you and I hope we may have your business through him.

Very truly yours,

LETTERS TO SALESMEN

Since it is physically impossible for the average sales executive to spend much time with any one of his men in the field, the burden of supervision reverts to correspondence with them. They must be kept "keyed" to a fighting pitch by letters of encouragement, they must be given a constant flow of sales ideas and plans, and when they go haywire they must be disciplined and tactfully set back on the straight and narrow path. All of this means that every day, the salesman gets a large brown envelope from the head office. In it are not only the letters from his sales manager, but also letters from other departments. The credit manager may be asking him to help collect a delinquent account, the advertising director may be calling his attention to some new booklet or direct mail campaign, or the head of the order department may be advising him that his quotations on a sale were not correct. Sometimes the daily envelope becomes pretty heavy—the salesman thinks he is getting too much mail. He chafes against it.

That means, of course, that there should be some control over the number of letters written to salesmen. To let every Tom, Dick, and Harry plague him with inconsequential matters is one way to make sure that important mail will not get the attention which it deserves. In the best organized companies a clearing house for salesmen's mail is established, and the great majority of letter contacts with him originate in the sales department. This is no doubt the wisest plan.

Another interesting slant to the problem of letters to salesmen is the rather common idea in business that salesmen are "grand opera singers" who need to be handled with extreme caution—that they must be treated differently than ordinary human beings, that they should be inspired at frequent intervals with a lot of "you can do it" letters.

But salesmen are not infants who must be coddled with inspirational drivel. A really good achievement story now and then—one that has direct application to their own work—will help them over the rough spots. What they need more than anything else, however, is honest criticism of their mistakes, and sound suggestions which they can apply in making more sales. Too many letters to salesmen, on the contrary, are so full of parsley that there is little room left for the meat.

Probably the best letters to salesmen being written in business today are by sales managers who themselves have been salesmen. They know the problems, the moods, and the language of the men in their charge. They realize that a salesman will respond to frankness and sincerity a lot more quickly than to false flattery or browbeating. Their letters are tactful, kind, but *honest*. They praise, and they reprimand, in the same spirit of helpfulness—and that's the way any salesman worth his salt wants to be met.

That spirit is conspicuous in the following examples. They show you how the modern sales executive contacts his men by mail.

LETTER No. 27. To encourage the salesman who is working against unfavorable conditions—showing how Lincoln succeeded after many set-backs.

Dear Dave:

I have never run across anything that has quite as much challenge as the facts copied below:

ABE LINCOLN

Defeated as Candidate for Legislature	1832
Defeated in Business and lost his property	1833
Defeated as Candidate for Speaker	1838
Defeated as Candidate for Elector	1840
Defeated as Candidate for Commissioner of General Land Office	1843
Defeated as Candidate for Congressional Nomination	1843
Defeated as Candidate for Re-election to Congress	1848
Defeated as Candidate for U. S. Senator	1855
Defeated as Candidate for Vice Presidential Nomination	1856
Defeated as Candidate for U. S. Senator	1858
ELECTED TO PRESIDENCY OF THE UNITED STATES	1860

In the face of DEFEAT and FAILURE he eventually achieved the highest office within the gift of this Nation — and undying fame!

Honestly now, isn't there something about that brief summary that is a more eloquent tribute to the man than a recitation of all the great things that he did?

The world knows Abe Lincoln because he succeeded.

All he knew when he was on the way up was that you can't defeat a man who will not quit.

You know the famous lines that begin, "Lives of great men oft remind us," and surely in abundant measure they apply to Abraham Lincoln. Obstacles meant nothing to his unconquerable spirit - they mean nothing to the salesmen of this company.

We have had our share of trouble in the past six years, but our courage has never been broken. Now we are headed for the best year in our sales history. Like Lincoln, out of adversity we will rise to our greatest victory.

Sincerely yours,

LETTER No. 28. Pointing out how the salesman has made a mistake and insisting that it be corrected.

Friend Sam:

I've just read your long letter telling of the argument you had with buyer Ed Underwood, and I'll say one thing - you certainly told him a mouthful.

There isn't any doubt about it. What you told him was the truth, and you weren't afraid to call a spade a SPADE.

I know that you've chuckled to yourself every time you recalled the interview. You certainly won the argument.

But, Sam, how are you going to feel when you call on him your next trip? And it WILL be necessary that you call on him. You know that.

And how, Sam, is he going to feel? Not a bit friendly, I'll warrant.

I can just picture the two of you fighting like a couple of cocks in a pit. And that won't be good for our business, Sam.

Now, you won the argument. No doubt of it. And you got a lot of personal satisfaction out of doing so. But you need Ed's business, and so do we, so here's what I suggest you do to make sure we'll get it.

Write Ed a letter of apology. Tell him you lost your head. Tell him you're sorry. Tell him that you are usually a "right guy," but you were dead wrong in "sounding off" as you did. Say you'll be grateful if he'll forgive you.

Do this for business' sake, Sam, and send me a copy of the letter you write him. This is one time when, I think, it will pay to pocket your pride.

Sincerely yours,

LETTER No. 29. Built around a poem which has a fighting message for the salesman.

Dear Joe:

There was once a young farmer who laid down his hoe and went to the city to pile up some dough. He tried this thing and that thing but had no success. Every gol darn thing flivvered and came out a mess. The three cents in his pocket he viewed with alarm, so he bought him a stamp and wrote back to the farm. "Dear Dad," he began it, "I am writing in hope you can help a poor guy at the end of his rope."

The next day came a letter with something enclosed, for to help the young man was his father disposed. Now, wouldn't you think that a strange thing to send, just a plain piece of rope with a knot in one end! The boy thought so, too, till the letter he read, and then he caught on for 'twas this that it said: "If you've played out your rope till it's almost all gone, a big knot in the end will help you hang on."

When you've used up every last selling idea you can dig up - or think you have . . .

When you've met with so many turn-downs that you're afraid to look a tough prospect in the eye - or think you are . . .

When you begin to think you made a mistake not to stick to farming, or selling papers, or whatever you used to do that didn't require matching your wits against the other fellow's . . .

Then you're pretty close to the end of your rope.

That is the time to give yourself a shot in the arm - or a kick in the pants. Practice resting your chin over the back of a chair for fifteen minutes every night . . . so it will start sticking out again.

It's just as true of sales-fighting as it is of prize-fighting: A man isn't licked until he admits it.

"If you've played out your rope till it's almost all gone, a big knot in the end will help you hang on."

Fightingly yours,

LETTER No. 30. A reminder that alibis are not wanted.

Dear Shorty:

You have heard of the Squidgicum Squeeges that swallow themselves - well even such odd critters would have a merry time swallowing the old alibis for not getting the order that some of the boys are sending in.

The only thing that I can figure out is that they have been listening to ghost talks. The old alibis are dead. Some salesmen are still "skeered" from the terrible tales they heard three or four years ago.

Looking at Business Prospects in the broad daylight now is something to behold. Automobiles, electrical appliances, home furnishings, etc., are selling like kisses at a church bazaar (Just wait your turn, Deacon). Hundreds of lines are on the way to new sales records.

It just won't do for anybody in the organization to go on using ghost alibis.

I can swallow a good one like, "Mr. O'Connor was laid up with a charlie horse when I called and would not talk business," even though I do think to myself that possibly it was White Horse. But I do not want to hear any more ghost stories until next Halloween.

Let's all get going so that we can keep the ghost walking every pay day and see if it isn't possible to make him pack some bigger checks starting about the first of the year.

No, it wasn't Ghost Written for me. I mean it.

Sincerely,

LETTER No. 31. A New Year letter to salesmen with the interesting story of a man who decided to be re-born.

Dear Jim:

With another year of our lives spent, my thoughts naturally turn to you, and the fifty-four other men, who have been fighting to lift the sales of our products back to old levels.

That you have given your best, goes without saying. You all know that for ten years I worked in the field for our company. Nobody could understand better than I do the problems which you have met so fearlessly, or the moments of discouragement which must have been yours. You know that I wish you happiness. I hope you have it in great measure.

But to men of ambition, like you and me, great happiness can only come with great progress. You want to flap your wings and fly back to the times when sales were more abundant - you want to get out of the muck and the mire into which the depression threw us all.

Jim, I think more than anything else we need to cleanse our minds of all that we have gone through - to start the New Year just as we would pick up a new book, with the old one closed for the last time and put away on the shelf. I know of a salesman who did that.

Buck Newman was his name, and he worked in Texas. He was a great giant of a fellow, and in his territory there wasn't a soul who didn't know and like him. But Buck had been stubbing his toes, too, against the brick wall of the depression. He was selling half of what he had once sold. He wasn't happy.

So he made a rather remarkable resolution for the New Year. He decided that he was going to be born again - to start out absolutely CLEAN. So he bought himself a new suit, new shoes, new hat, and even new underwear. The last day of the old year he got a new haircut, and the next morning he gave his skin a good scrubbing. He meant to see that a brand new Buck Newman went out to work on that first day of the New Year.

I wonder, Jim, if old Buck didn't have the inspiration which you and I can use in making something more of ourselves in 1938? To wash our minds clean of all negative thoughts, to be born again - new inside and out - to be the high-stepping, confident fellows we were six years ago.

Maybe that's the only way to happiness for you and me, Jim. Think about it as the New Year dawns.

Sincerely yours,

LETTER No. 32. In which a clever sales manager recruits the wives of his salesmen.

Dear Mrs. Godfrey:

Many of our representatives are fortunate in having wives who are interested in our merchandise plans. None of them are keener, however, than those who assist at our local Exhibitions. We feel that they are members of the Sales Team.

Because of your interest I want you to accept the enclosed Toothbrush. Its value is small, but there is a great sales idea behind it.

It is the first time in this country that a solid head (other than a flat head), has been mounted as a Toothbrush handle motif.

- (1) These brushes will gain immediate attention in Dealers' shops by reason of their N-O-V-E-L-T-Y.
- (2) Children will love them and they will enable parents to persuade the kiddies to brush their teeth regularly. (You know: "Willie, have you brushed your teeth today with Doggy?")
- (3) I expect you find that in family bathrooms there is a genuine desire by meticulous people to KNOW THEIR OWN TOOTHBRUSH AT A GLANCE.

Perhaps you would like to try the Toothbrush out yourself, or get a friend to do it.

If you like the idea, I expect you will sell it to your husband and if you have time to drop me a line with any news, please don't hesitate to do so.

If you are too busy, please D-O-N-'-T worry.

With kind regards,

Yours sincerely,

LETTER No. 33. In which salesmen are asked to pay tribute to an executive by increased orders.

Dear Bob:

Twenty-five years ago, on the night of August 12, 1912, a big, raw-boned youngster swung off a Michigan Central day-coach at Kalamazoo, and for the first time in his life, set foot on United States soil. There was no band to welcome him. No one to give him the keys to the city. Even the hack drivers hardly gave him a glance. They knew there would not be enough money rattling around in the boy's pockets to make it worth their while ... he was too obviously "from the country."

And they were right about it. The smell of the soil and of the cow barn was still on his clothes, and his hands were covered with the calluses that come only from the handles of pitchforks and the "faucets" of cows.

Early the next morning found this boy trudging along a dusty road to a spot three miles north of Kalamazoo where, in the middle of a corn field, another immigrant boy was dreaming and sweating a piddling little converting plant into a gigantic paper mill. The new boy had heard there might be a job. The older one sized him up, saw that he fitted into the design on the trestle-board, and that is how Doc Southon, at seven o'clock in the morning of August 13, 1912, met Jacob Kindleberger and went to work for KVP.

I think you know much of what had gone on before, and of what happened thereafter ... how that, discouraged by two years looking for work in his native London and not finding it, he borrowed money and sailed by steerage for Canada ... landed in Halifax in February, 1910 ... was sent to Leamington, Ontario, by an employment agency with the promise of a job waiting ... found it a false report ... walked the streets all night in the snow with only 6¢ in his pockets ... hired out to a farmer the next morning although he had never had a farm tool in his hands before ... milked cows and tended tobacco crops for the next two and a half years.

Then the trip to Kalamazoo on the hearsay evidence there might be a job. First, a job as clerk ... but that was only a title. In those days, everyone from J.K. on down pushed trucks, shoveled coal, hustled broke, tied bundles ... did everything there was to do. Next a road job in '14, selling ice blankets. Before long, production. Then a hand in sales, General Sales Manager and Third Vice-President in '25. First Vice-President and Director in '36.

That's pretty sketchy, but it gives the high spots. Some mighty low ones, too, for that matter.

Twenty-five years of Doc's kind of Hard Work and Loyalty calls for some real recognition. Now don't reach for your check book ... this is something a darned sight more important than golf bags and loving cups ... something that will please him a thousand times more.

Just send him some ORDERS.

Now don't think I'm crazy. I know just as well as you do that you have orders in here since last May that are still unshipped ... that you are afraid to face some of your customers without a bodyguard ... that you are scared to call on others for fear they will make you take an order.

That condition, however, does not apply on two lines. Those lines are PARCHMENT and SPECIALTY. We can still handle BIG increases in both. And both can be highly profitable.

So what we are asking is this ... will you ... as the best possible kind of a sales manager ... go out every day between now and Labor Day, determined to make the next five weeks the greatest weeks for PARCHMENT and SPECIALTY in the mill's history?

You will? That's great! Not that I had any doubt about it ... in fact, I was all prepared. For in this mail, you should also find a packet of stickers like the one attached ... ONE FOR DOC.

Put one on every PARCHMENT and SPECIALTY order you send in between now and Labor Day. Put one on the envelope, too.

Let's pile them in until the bloody Henglishman yells for "elp!"

ONE FOR DOC

P. S. He started work on the morning of the 13th. I'll bet a little personal note arriving that morning (it's on Friday) would make him feel like a million ... yes, TWO million.

LETTERS TO HELP THE SALESMAN

Another good arrow in the letter-man's quiver is the one written from the home office which aims to supplement the work of the salesman. It may help to break down the prospect's resistance, to strengthen the good will of the old customer, or to increase the enthusiasm of the new buyer. The letter of this type takes various slants, but in each case the primary object is to make things easier for the man who is fighting for orders.

One of the most common examples of this group is the letter telling the prospect that the salesman is going to call. Instead of walking "cold" into the prospect's office, the salesman has been introduced by a friendly letter which gives him a nice "build-up" and tells some of the good points about the product which he sells. When this letter is properly written, it can be a powerful force in helping the salesman to get a good reception, and even to get the order.

Another of these supplementary sales helps is the letter which *follows* the call of the salesman—either thanking the prospect who did not buy for his courtesy in granting an interview, or welcoming the man who did buy as a new customer of the company. In the first case, the letter may help the salesman to be more successful on a later call; in the second, it may help him land another order.

A third important letter in this group is the one used to regain “lost sheep”—asking former customers why they have stopped buying, and seeking to bring them back to the fold. Human beings like attention. Often a friendly inquiry, “Where have you been—we have missed you,” will do the job. Usually, such letters make replies easy by enclosing a return envelope—sometimes stamped—or a questionnaire which the former customer is asked to check.

Quite often these letters to inactive customers bring back answers which are not quite so pleasing. They bring complaints into the open about past service. Perhaps the credit manager has written a tactless collection letter, perhaps the quality of goods in the last shipment was not up to par, perhaps the buyer had been offended by an impudent salesman. When such things happen, the average individual says nothing. He just stops buying, but he carries a grudge against the company and often speaks about it to his friends and neighbors.

But complaints of this sort are often blessings in disguise. They show the management things which are wrong in the business, the kinks in certain employees or policies which need to be straightened. Unless a company knows the reactions, the moods, of its customers it cannot plan that type of service which will please them. For that reason, the letter to inactive customers does two jobs; (1) it helps to *increase* sales, and (2) it brings to light certain faults that have been working *against* sales.

But suppose you examine some of these letters used to break ground for the salesman—examples taken from the files of some of our best known companies.

LETTER No. 34. To get the new salesman off on the right foot.

Dear Mr. Jones:

A light complexioned man of medium build is about to enter your life. He is not a figment of some fortune teller's imagination, but a real, live

man, who walks and talks. Incidentally, he talks about Smith Valves; and he knows what he's talking about.

He's been with us for about ten years now, and he likes his job almost as much as his golf. Because of his unusual knowledge of valves, and valve problems, we are putting him in your locality; where a man has to know valves.

Mr. Jones, may we introduce our new representative in your territory - Mr. J. W. Williamson.

You may expect a visit from him next Tuesday morning. In the meantime, you can reach him at Main 0124, should you need prices or information of any sort before his visit.

Sincerely,

LETTER No. 35. A build-up for the salesman who is about to call on an old customer.

Dear Mr. Knowles:

Business today is in much the same position as a clipper ship caught in a squall ... When the glass started to go down and the sea started to come up, the skipper took in sail just as you cut down expenses.

He laid to under bare poles with an eye on the barometer for the first sign of better weather. He didn't wait for the sun to come out ... no sooner had the wind dropped than he was bending on canvas.

In the last year, the business barometer has showed unmistakable signs of clearing. The squall seems to have blown itself out. The seas are getting smoother every day. Isn't it time to clamp on sail, and begin to turn those losses into profits?

Folks are more in a buying mood than they have been for several years. With more money to spend, and less fear of the future, they are looking askance at some of the things around the house which have outlived their usefulness. A lot of these things are going to be replaced before the year is over - and you are going to sell them.

As a good skipper, you know that this is the way the wind is blowing. You are undoubtedly planning to increase your stock and be ready for increased business. And that is the wise thing to do! What you don't have, you can't sell. The merchant with the most complete stock of goods is the one who will get the biggest share of the hardware business in your town.

Our old sea-dog, Charlie Hays, will be around to see you next week with our new catalog, and as many samples as he can carry. You'll find that we, too, have had an eye on the barometer ... have added many attractive items which are going to be money-makers for you.

Charlie has been calling on you for twenty years. You know that he has your interest at heart. So put your heads together and make up the order which will bring customers flocking to your store during these coming winter months.

The squall is over. It's time to spread your canvas and get some real speed out of the old ship.

Cordially yours,

LETTER No. 36. Used when the salesman failed to get an order.

Dear Mr. Summers:

Mr. Brown says you were mighty nice to him, when he called last week. We appreciate your courtesy just as much as he did. You know why Mr. Brown stopped in your store - he wants your business. So do we. But wanting never made anything happen.

It is our job to prove to you that the merchant who sells our hats and gloves gives his customers the best value - and makes more money for himself.

Well, we can prove it.

For sixty years, we have been making hats and gloves - making them better each year. We have had our ups and downs but always the same ideal - to give our dealers the best that we knew how to make.

We cannot describe in one letter all of the good points of our hats and gloves. Mr. Brown will do that. Examine his samples, consider the prices, decide for yourself.

But we do want to say that our interest in the customer does not stop with the sale. We mean that. After all, service is the big thing in your mind. Ours, too! From the time that you give us an order, you will see something unusual and different in the way we cooperate with you.

Mr. Brown will be seeing you again. In the meantime it's your move. Sign and return the enclosed card. You don't need to stamp it. It will bring back to you our catalog - full of good reasons for your becoming one of our thousands of satisfied customers.

Sincerely yours,

LETTER No. 37. Appreciation expressed for order given the salesman, with a paperweight added for good measure.

Dear Mr. Mowson:

Thank you for the order which you gave Mr. Mellor.

Thank you too, for your courtesy to him, which is much appreciated. His visit was encouraging because it was the best order which he had taken.

He tells me that he had tea with Mrs. Mowson and yourself and he will long remember this hospitality.

We would explain that he took over a new car on Monday, his first day for the House in your part of the country. Due to an oversight he had to wait many hours for the car and lost the whole of Monday.

Loaded and away on Monday night, he met snow and wintry road conditions. When he reached Lincolnshire he found that his predecessor had dodged round many of the better customers during the previous week.

Now you will understand why your kindness must have been encouraging to him.

Please accept the enclosed model of the Discus (our trade mark). It is a small gesture of our appreciation, but might be useful as a paperweight.

Yours very truly,

LETTER No. 38. Seeking to reinstate an order which the buyer wanted to cancel.

Dear Mr. Doherty:

There is one principle, friend Doherty, to which this company always subscribes, and this is that "the customer is always right."

Therefore, if you want us to cancel your order of the second, we shall do it without hesitation. Fact is, the order will not be shipped unless you write telling that it is quite all right for us to put your order back in work.

And frankly, we cannot help but feel that it would be to your best interests to write us and say:

"Go ahead, Deltex, and reinstate our order."

You will understand, since the value of your order is only \$159.00, that this is not a wholly selfish view. Instead, it is encouraged by the knowledge that people who buy fibre rugs frequently purchase items in furniture at the same time. Even when this doesn't happen, the fibre rug sale keeps you in touch with the customer, and a close contact results in continued business from the user, as you know.

What do you say? Shall we put the order back in work? If your answer is "yes" just put your initials opposite the words: "Go ahead, Deltex," and we'll understand.

Sincerely yours,

LETTER No. 39. An order is at stake, but the prospect thinks the prices are too high.

Dear Mr. Jackson:

I certainly appreciated your letter, even though I cannot agree with you that our prices are too high. While it is true that many commodities are cheaper today than they were a year ago, this does not apply to our particular line.

In fact, Mr. Jackson, we are paying 10 per cent more on an average for our raw materials than we did in 1936. If we followed the current market in setting our prices, we would be obliged to charge you more today than we did a year ago.

Prices, after all, are relatively unimportant. Except in one or two rare instances, no manufacturer and no merchant has ever developed a permanent business or made any money selling "price goods." We cannot afford to do business on a price basis, and I do not believe you can either.

When both sides of the ledger have been added, and a balance struck, isn't it a fact that our biggest and most important asset is our good name? In that respect, we are all like Tom Appleton of Big Bend, Kansas.

One day Tom was the richest and best beloved man in town. The next morning he was a homeless pauper - house and store scattered to the four winds by a tornado.

In six months he was on his feet again and almost as well off as before. Why? Because, Tom still had one valuable asset. People trusted him. We wired him to order what he needed and pay when he could - and so did every other house with whom he was doing business. A tornado might destroy his house and his store - but it could not damage his good name.

Your good name, too, is worth more to you than anything you own, just as ours is to us. Your name and our name stand for the goods we carry and the business methods we use. Neither of us can afford to sell poor goods at cut prices.

Considering the cost of our raw materials and labor, our prices are fair. Our overhead is the lowest in the industry. The only way we could reduce prices, and continue to make normal profits would be to cheapen the product. If we did, it would destroy our good name as a manufacturer, and, if you continued to sell our line, yours as a merchant.

Do you believe that either of us can afford to do this?

Yours very truly,

LETTER No. 40. Written to inactive customers, asking them why they stopped buying.

Dear Friend:

Seems like a long time since 1935, doesn't it? It has been a long time, and many things have happened, mostly for the better, we hope.

To get right down to cases, I feel quite badly when I realize you haven't shipped Beatrice a can of cream since 1935. Surely we couldn't have treated you so poorly that you are through with us for keeps.

This is a New Year, and I, for one, want to make a better showing than I did in 1936. BUT, I NEED YOUR HELP.

Did we do something to annoy you, or just what is the reason you stopped selling cream to us? Tell me frankly. Of course, we "crack up" once in a while, and "muff" something — who doesn't? But that doesn't mean that we did it on purpose, or that we feel any better about losing a good customer.

Just give me the low down on the back of this letter and slip it in the prepaid envelope, and mail. It won't take a minute, and besides, you will be helping me a lot.

It wouldn't be a bad idea to "shoot" me a can of cream, so that you can compare results.

Remember, a word from you, a can of cream, or both, will surely be appreciated. Thank you!

In all friendliness,

LETTERS TO BUILD GOODWILL

We come now to a fascinating group of business letters—those written not for some necessary purpose, but purely to win or increase customer goodwill. Because few of them cover any specific need of business, they appear in a multitude of varieties. To give you examples of the whole of them would require an entire book, or perhaps a set of books, but those which follow will give you a good idea of what they accomplish in building more friendly relations between the company and the public which it serves.

It is safe to say that the letter which *does not have to be written* quite often achieves the most in cementing the friendship of the customer or associate. The letter from the manager of the hotel where you stopped last week, hoping that you were well-treated, and inviting you to come another time—the letter from the president of your company, welcoming you as a new employee—the letter from the company with which you deal sending you a

calendar for next year—the letter expressing sympathy because you were injured in an automobile accident last week—the letter congratulating you on the new building into which you have just moved—Christmas letters—New Year letters—all *unnecessary*, but what a wallop each one carries.

A merchant in Illinois, for example, always sends a greeting to anyone who moves into his territory. It goes something like this: "Welcome to our community. We are glad you have picked us as your neighbors, and we want you to make yourself at home in our store. Come in any time soon. We'll be mighty glad to see you."

Some executives are constantly looking for opportunities to contact customers—opportunities *beyond* the rule and rote of business. They take pains to show each customer that he is also a friend of the company. If a dealer in Indiana, for example, goes into politics and is elected to public office, he gets a nice letter of congratulation. If another dealer's warehouse is destroyed by fire or flood, he gets a sincere letter of sympathy. Weddings, births, deaths—they are all recognized by human, friendly letters.

These, of course, are the individual cases which are handled as they happen to reach the executive's attention. There are other times, more formal and conventional, when form letters can be mailed to entire groups of customers. Most companies send out cordial greetings to their dealers and customers during the Christmas holidays—others on Thanksgiving Day, the Fourth of July, Lincoln's birthday, and other popular times for celebration. Some of these letters are quite serious in tone, others written in a lighter spirit—but they all carry the spirit of mutual understanding, and thanks for past business.

Some of the Christmas letters are accompanied by little gifts—souvenirs of good will and appreciation. Usually, these gifts are inexpensive, but that depends on the size of the customer and the value of his annual business. The majority of the companies using Christmas letters, however, prefer to let them stand alone as sincere gestures of friendliness. They are afraid that gifts will be interpreted as "bribes" for future business.

Sincerity, certainly, must pervade the goodwill letter. Lacking it, the letter becomes a boomerang to return with the scorn of the reader, rather than his appreciation. Goodwill letters flow from the heart, not the head. The man who *likes* people sincerely, who takes a genuine, human interest in others, will write goodwill letters which *ring true*. The man who is by nature quarrelsome

and critical, who snaps and snarls at his fellowmen on the slightest provocation, cannot hope to put the friendly spirit in his letters. His attempt to become cordial falls flat, and what he says is accepted as blatant flattery. The result is the contempt of the reader, and not his favor. Unfriendly people should not try to write friendly letters.

The following examples, taken from modern business, will show you how some companies are using letters to build goodwill. Your own imagination will suggest other ways that the job can be done.

LETTER No. 41. On his eleventh anniversary in the insurance business, the writer thanks his clients for their friendship and cooperation.

Dear Mr. Ennis:

In the month of March, the year 1926 . . .

a young man set out in the earnest quest of earning a living. In the type of business which appealed most to him, he cast his lot.

It took but a very short time for this young man to learn that earning a living in the terms of dollars and cents was not the primary requisite of employment.

He found in rubbing shoulders with a world of realities, that other things mattered far more, — unselfishness, consideration of others, conscientious service, and above all, honesty.

He learned, too, that his most valuable asset was not his bank account, nor his worldly goods, nor things material, but rather, his loyal friends.

Having personally played the role of this young man, I have learned these things and learned them well. I therefore, want to express to you my most sincere thanks for your loyal friendship and your genuine cooperation in the past. They have made it possible for me to pass the milestones — one by one — and have contributed largely toward making my eleventh anniversary in the insurance business possible.

Very truly yours,

LETTER No. 42. A remarkably good letter of sympathy to the customer who had lost his boy.

Dear Mr. Harrell:

I have just heard of the great personal loss suffered by you in the terrible calamity that so suddenly brought death and destruction to your city.

Buildings and even cities can be restored, but the untimely death of your beloved son is an irreparable loss. At a time like this, mere words pale into insignificance, and while there isn't much we can do to help, we feel it our bounden duty, and are willing and happy to add our mite by shipping you anything you may need in the rebuilding of your business. Of course, we'll gladly extend any kind of credit terms you desire. May we have the privilege of doing that much ... little as it is?

To hear of an old friend and customer losing practically everything and to have the life of his boy snuffed out like the flicker of a candle, brings home to us very forcibly, the heartaches and sadness from which many people in your city are suffering.

Cruel as these catastrophes are, we cannot stay the fury of the elements ... that is beyond the power of man ... but we can do our part by lending a helping hand wherever possible. Perhaps you will derive some small measure of comfort from the knowledge that out of the ashes and debris there will arise a bigger and better city, and no doubt, were it possible, the voices of your boy and others whose lives were so suddenly snuffed out, would chant in unison:

"To you from falling hands we throw the torch,
Be yours to hold it high."

May the Almighty give you strength and courage to carry on. For carry on you must ... for the sake of the dependents of those who have gone ahead.

Sincerely,

LETTER No. 43. Telling the customers that in spite of the destruction of warehouse and office, the company is still blessed with their loyalty.

To Our Customers:

The disastrous fire which completely destroyed our offices and warehouse last Friday and Saturday is over. By nightfall Saturday, we were faced with the realization that our stocks were totally lost, our place of business demolished, and that to all appearances we were fortunate indeed to salvage our steel encased records.

A pale picture to say the least, but colored appreciably by the multitude of messages from business friends offering encouragement and assistance. For each we are deeply grateful - our most valuable asset, your good will, could not be replaced as have our offices, warehouse, and stocks.

We are operating permanently from our new home 350-354 West Erie Street. Our policy is ever still, the sincere aim to serve you efficiently and economically with the quality products familiar to every Odman customer.

Our telephone remains unchanged, the familiar Superior 5584. Please use it, we shall welcome the opportunity to serve you now as always.

Yours very truly,

LETTER No. 44. A fine thank-you message which starts with an interesting story.

Dear Mr. Anderson:

One morning while George Washington was riding over his plantation accompanied by a friend, a humble negro slave raised his hat to Washington as he passed by, and, to his friend's astonishment, Washington doffed his hat.

After they had ridden a few paces, his astonished friend inquired if he was in the habit of thus saluting his slaves.

Washington's reply was significant:

"I allow no man to outdo me in courtesy."

We feel the same way. You showed courtesy by paying your insurance premium promptly and we, not to be outdone, return it by saying: "Thank you!"

Very sincerely,

LETTER No. 45. To announce the moving into new quarters, and inviting the customers to "come up and see us sometime."

Dear Mr. Graham:

Won't you eat a hearty breakfast some morning real soon and make the climb up here to our new quarters?

It's a bit breath-taking (the climb) but the true adventurer won't mind that. Besides, we'll have our trusty St. Bernard Alpine rescue dog out on the stairs, with a cask of the best about his neck.

We're proud of our new home and we want to show it off to you. There's more than twice the room we had over on the opposite corner, where we were born and spent the first eighteen years of our life. It's worth the climb just to see Joe Kubasta, our production manager, reveling in the increased efficiency he's getting now!

Then, too, when you visit us we'll have a chance to cough politely and call your attention to all the new equipment we've bought these last few months: the printing multi-graphs, automatically fed, which deliver 7800 letters each an hour the new high-speed Baum folder the nine new typewriters the new automatic Gordon printing presses with Miller air feeders, etc.

We'll hesitate — artfully — in front of those presses, because when you see the genuinely excellent color printing we're doing, you may make a mental note to call us in the next time you need letterheads, envelopes, invoices, or any other sort of printing. The man in charge of this

department is a master printer in the old Guild sense of the word! Enclosed is a sample of a job going through one of the presses today.

Then we'll take you to my own turreted office, where — immodestly enough — the bookcase is decorated with the silver cup presented to us (the cup itself says) "for excellence of letter copy," and with the gold medal we got last fortnight for another DMA letter.

Whereupon we shall realize at long last that these things which mean so much to us, couldn't possibly be quite THAT interesting to you and for the rest of your stay we'll be well-mannered. We do want you to come. If there's a hurry-up job you need now, of course telephone us — at 570. But plan to visit us soon.

Cordially,

LETTER No. 46. A young man just one year in business writes a Christmas greeting to the men who have helped him get started.

Dear Mr. Scott:

Alone in the office; doing a bit of night work. Outside, the clanging of street cars, the voices of the scrub women banging their buckets about and stopping to exchange a bit of blarney with the night watchman. Mind began to wander from one thing to another. Forgot the work. Thought of Christmas, of the year gone by, thought of you.

A year ago; took the bull by the horns and started a brokerage business. A little nerve, a few accounts, and a lot of friends. Those were the only assets. Here it is Christmas and still in the ring. Nothing to brag about, haven't set the world on fire, but going better every day. Every reason to be happy and merry and joyful just as people are supposed to be at this time of the year.

Been thinking about all of this. Came to me all of a sudden that it is to you, and the other good fellows like you, that the Steinmeyer Brokerage Company owes its small success. You are one of the stars to whom we hitched our wagon and you helped to pull us through. Because of you the candle of the New Year will burn brightly in our little apartment.

Going home now. Got to sleep a bit. Just wanted to put into words the thoughts of the last half hour. Wanted to tell you that it is a merry Christmas for me and dad, and the wife and kiddies. Wanted to thank you, wanted you to know how I felt about it.

Wanted more than anything else to wish you all that you have given us, a very JOLLY CHRISTMAS.

Sincerely yours,

LETTER No. 47. A form letter from a company to its customers, wishing them a Happy Christmas.

Dear Mr. Wynne:

"Merry Christmas? Bah ! Humbug !" cried Scrooge to Old Marley's Ghost. And that's the way a few folks still feel about Christmas. You can spot one of them in a crowd by his sour face and dark scowl. Poor devil - the man who misses the spirit of Christmas is more to be pitied than cursed.

It's the same kind of a fellow who bullies his wife at breakfast, hogs the center of the street while driving to the office, shouts and raves at his employees all day, and then goes home to give his wife another dose. He thinks all doctors are quacks, all lawyers chiselers, and calls the Community Fund a big racket. Because he hates everybody and everything worth while, he is left alone in his thought-poisoned world.

But why worry about the Scrooges? Sometimes even they are made to realize that fellowship, and love, and tolerance are the qualities that make life sweet. Until they do, we are perfectly willing to string along with the folks like you who can still get a kick out of playing Santa Claus to their kids and friends - who can say "Merry Christmas" to their neighbors and mean it.

Christmas, more than anything else is a day of appreciation, a cleansing time of old enmities, a rebirth of good thoughts for those who walk the world with us. Certainly, we are proud this holiday season to have your friendship, and we pledge our utmost in the days to come in keeping your goodwill. While we may buy and sell to each other - perhaps not always agree on this or that - let it be understood always that we do appreciate your business, that most heartily and sincerely do wish you now . . .

A gloriously happy Christmas !

LETTER No. 48. A Christmas greeting sent by a salesman to those who had given him orders during the year.

Dear Mr. Smith:

This evening as I drove toward home after making the day's calls, I passed through three or four towns and saw the business streets all bedecked with bright lights and holly, and I got to thinking about "Christmas."

And the thought came to my mind as I spun over the ribbon of highway, that a salesman's life is a lot like a highway. I speed along day in and day out, always striving for new sales goals. Some days the road seems smoother than others.

Then at the end of the year comes Christmas. Father Time, serving as traffic officer, shifts the signals and the sign says "STOP !"

It's not a bad idea . . . stopping to look back over the road because American business is geared to high speed, and in my hurry I may not have taken time to say "Thank You" for every order you gave me.

So I'm taking time here at home tonight to type this little letter and tell you how much your orders have meant to me personally. Your friendship has helped make the road smoother for me this past year and I am looking forward to many more years of pleasant contacts with you.

I sincerely wish you and yours a very MERRY CHRISTMAS and a HAPPY, PROSPEROUS NEW YEAR !

Cordially yours,

LETTER No. 49. Dramatic Christmas and New Year letter to salesmen. You see them in many other unusual forms—stars, crosses, trees, etc.

Dear Tom: Even though you have grown up I bet you still like to hang up the old stocking for Santa Claus ! I know I do, and you should see the big kick my kids get out of watching me do it. In fact I get such a kick out of it myself that I am having this little message to you typed in the shape of a stocking. I hope it will give my letter that "homey" feeling that we all associate with Christmas and that I'm trying to pass on to you. You have been a real wheelhorse, Tom, during the past twelve months and I want you to know that I appreciate it. Your untiring efforts have been a big factor in helping us to get the volume that we did. We all have our hats off to you! It looks to me like the new year is going to offer a real opportunity for business. Of course, we have got to fight for it, but you know how to do that consistently and I am counting on you to do even better in the coming year. Before closing, may I say that I hope your stay with your loved ones this Christmas will be a very happy one. It is this reunion of the family circle that we all look forward to at this season and I hope that yours will be all that you want it to be. And don't forget that an early start after the holidays will give you an edge on your competitors. Take advantage of it. MERRY CHRISTMAS.

LETTER No. 50. A goodwill thanksgiving letter, mailed to customers who pay their bills promptly.

Dear Mr. Wertz:

Thanksgiving Time again —

And to the most of us that means turkey and all the trimmings, but more important than that it will be a time for giving thanks for our many blessings; and we do have much to be thankful for when we stop to think of the millions whose larders are empty.

Two of the things we are thankful for are the pleasure of doing business with you and the promptness with which you meet payment of your account. Our slow paying accounts hear from us frequently, but those who pay promptly rarely receive the commendation they deserve.

Thank You — for the splendid credit record you have with us, for your faith in our products and for the pleasant business relations we enjoy with you.

A customer like you merits a lot of thanksgiving. That is our thought as the day approaches.

Yours very truly,

LETTERS TO ADJUST COMPLAINTS

Complaints to the modern executive are no longer received as a nuisance. Instead, they are welcomed for three reasons as an asset to good business. First, they provide the opportunity to sell the customer, in terms of action, the service which the salesman has sold by word of mouth. Second, they bring into the open conditions and faults in operation and service which should be corrected. Third, they often point the way to brand new methods and even products, which had not been thought of before. Certainly, the customer who keeps his angry thoughts to himself, whether they be justified or groundless, is a menace to the company. It is far better that his story be heard and answered, than that he remain silent, nursing his wounds, and telling his neighbors how he was mistreated.

Furthermore, a customer represents an investment in cash to the company. Often, the profit on the first order is less than it costs, in sales and advertising expense, to get his name on the books. The only way to make the initial investment worth while is to sell him again and again. He simply must be satisfied with his first purchase, and any complaint must if possible be adjusted.

Obviously, not all complaints can be handled to best advantage

by letter. When the amount involved is large, or the circumstances need verification, a personal visit by the salesman is often the best solution. Especially is this true when the salesman is seasoned by many wars, wise in the ways of his company, and immune to the temptation of buttering his bread by being partial to the customer.

Fortunately, the majority of complaints received by the average business are not serious—they can be adjusted tactfully without any loss to the company, either in money or customer goodwill. This is substantiated by a report published a few years ago in which several thousand complaints made to one company were analyzed and classified. Granted, that the figures would vary in different companies, they probably come close to the truth in business as a whole. According to that survey, 22.5 per cent of the complaints were honestly made and legitimate, 41 per cent were half-cocked and the result of impulse rather than reason, 23.7 per cent were “blinds” set up as a defense for lack of funds, and 12.8 per cent were initiated by pure, unadulterated cussedness.

In other words, the man who writes adjustment letters should be able to handle seven out of eight complaints with ultimate satisfaction to company and customer. Only the 12.8 per cent may cause him serious difficulty—and then only because certain people in the world are natural-born trouble-makers. These people alone must be handled without gloves—and usually they will respond to no other treatment.

When certain facts have to be investigated before a decision can be made, the customer should be told by return mail, “We are mighty glad to have your letter about that last shipment of melons, and we are losing no time in checking to see just what can be done. You know that we want to serve you well in this instance, as well as all others, and you’ll be hearing from us again soon.” Some companies do not hesitate to send telegrams of acknowledgment, especially if the difficulty looks serious or the amount involved is large, while many others route their letters by special delivery.

In handling any complaint there must be a willingness *to meet the customer half way*—to measure his welfare along with that of the company, and to reach a decision in every case which seems to be fair and impartial. This means that the adjustment man must be neither wishy-washy nor hardboiled. Back of every decision

made, must be a background of facts which any man with common sense would accept as true and irrefutable.

Certainly, there are a few "don'ts" which should be recognized by any man in business who handles complaints.

1. Don't use words that antagonize. While you may be answering a *complaint*, don't call it that. Don't say you are surprised at the customer's *attitude*. Don't say, "You should realize," or "It's queer that no one else has complained." Put yourself in the other man's shoes. Ask, "What would be my reaction if I were the reader instead of the writer of this letter?"

2. Don't try to handle complaints with form letters—not unless you have a great many of them all of the same kind. Remember that a complaint properly adjusted means money and goodwill saved for your company. Handle each case according to its own merit and circumstances.

3. Don't argue. If the other fellow has gone off half-cocked, state the facts he has overlooked tactfully and with extreme good nature. Make him see that you are a reasonable man, anxious to serve him fairly.

4. Don't pass the buck. If the customer is right and a mistake has been made, don't spend a lot of time explaining how So-and-so was the culprit. He doesn't care who is to blame. Wash your dirty linen in your own back yard.

5. Don't ask the customer to file a claim with the railroad for damages suffered in transit. While this is a common practice, it does not build goodwill. It shifts the burden of getting satisfaction to the customer, and gives him the impression that he is left to hold the bag.

6. Don't offer to pay a claim, or make a compromise begrudgingly. Too often, that spirit pops up in adjustment letters. Why be sour about it? If you are making a just settlement, then let the customer know you are happy to render him that service.

LETTER No. 51. Apologizing for delay, and giving complete satisfaction.

Dear Mr. Alberts:

Your letter dated March 23, addressed to our plant at Orange was handed me today. Needless to say we sincerely regret that your claim for damages in the amount of \$5.50 has not been adjusted to your satisfaction before this time.

During the twenty-seven years we have been in business we have been extremely jealous of the reputation we have acquired for courtesy, not only from our office executives but from our drivers as well.

We are sorry the accident occurred but hope that our driver conducted himself in a courteous manner. We have instructed Mr. L. B. Long, manager of our operations at Orange to pay you immediately, the \$5.50 in full settlement of the claim presented in your letter.

Again we apologize for our delay in taking care of this matter and will appreciate your not holding this unfortunate experience too much against our record for carefulness and courtesy. If at any time we can be of service to you, you have only to let us know.

Yours very truly,

LETTER No. 52. Here although the customer is at fault he is graciously told the company will stand the loss.

Dear Mr. Newman:

I am sorry there has been a misunderstanding about your remittance. But there was only 40 cents with the order when we received it, Mr. Newman. We looked carefully and are still holding the piece of cardboard in which the coins were probably wrapped.

Our mail is opened by bonded clerks and each one is under the strictest supervision, so it is hardly probable that the two one-dollar bills were taken after the order reached us. As we have a number of these clerks, it is impossible to give you the name of the one opening your letter.

As you perhaps know, it is not safe to send money through the mail in any form except by express or post office money order, bank draft or personal check. If for any reason silver or currency must be used the letter should be registered. Otherwise the money goes at the sender's risk and we can hardly be expected to make good any loss that may occur.

But you have been such a good customer for so many years that we wouldn't risk having a misunderstanding come between us, so we are marking the \$1.99 account paid. I am sure you will now realize how unsafe it is to send money by open mail. So if you will use one of the safe ways when sending your future remittances, we can promise you prompt and efficient service.

Yours very truly,

LETTER No. 53. To answer a complaint about storage charges, and make them stick.

Dear Mr. Herman:

I am glad to have your letter and sincerely hope you will always write me whenever there is anything you would like to have cleared up. I don't need to tell you that we all

appreciate your business. You know how we have always taken care of you and made sure you would have the goods when you needed them.

You know we figure close with a merchant who buys as you do and there just is not any leeway for added costs.

You are so busy putting your business over in a big way and doing all the things you have to do that I suppose you failed to notice in the contract the provision that storage charges, if any, would have to be charged to you.

You see, Mr. Herman, we did all our figuring on the original deal and made our price on the assumption that there would be no storage charges. The price basis on which we are operating is a good thing for you and helps our volume. I have talked this over with the Credit Manager and he figures that if the item is allowed we will have to take it out of our hide.

We want to keep on giving you first class service. I hope this transaction will help you earn a good profit on your investment as you certainly did buy right.

Look up your copy of the contract. I know you are interested in making profits as all good business men are. I also know you are fair and I have assured our folks that you will do what is right.

Yours sincerely,

LETTER No. 54. Answering the country doctor about finding a cockroach in a sample of biscuits.

Dear Doctor Slonaker:

I think I understand how you feel about that cockroach in our sample box of biscuits.

Fifteen years ago in the dining room of a leading hotel, I found one in my order of creamed chicken - my appetite vanished - I left my dinner practically untouched. I was younger then and did not even call the waiter's attention to the "extra portion," but to this day when I try to visualize the kitchen of that hotel, I see cockroaches running rampant over everything. Perhaps if I had been as frank as you have and had given the management a chance to explain, I would have found that conditions were not as I supposed.

It was mighty fair of you to write us, for we appreciate an opportunity to tell you something which we hope will change your present opinion of our product and our standards.

We are not satisfied to just meet the requirements of government inspectors. All employees must pass a rigid physical examination. Slovenly practices and dirty

habits are not permitted. Human hands do not touch our product. Employees wear clean gloves and don a clean, white uniform each day.

All receptacles, mixers, and ovens are kept spotlessly clean. The tile floors are scrubbed and all equipment in mixing, baking and packing departments is washed daily. We are proud of our light, airy factory, our modern, up-to-date equipment and our standards of cleanliness, but we are mighty ashamed of that cockroach. We treat every crack and corner of our factory to kill insect pests, their eggs and larvae. Mice and rats are not tolerated - all of these are special problems of our business and we consider cleanliness in our factory as conscientiously as we do in our homes.

Upon receipt of your letter we made a thorough check of all departments, right down to the last container, packed and unpacked, and we can assure you there are no more cockroaches.

We are sending you another package of our biscuits and we hope you will have no hesitancy in sampling them. They are pure, clean and healthful.

We would consider it a special favor if you will pay us a visit if you are ever in town - don't let us know ahead of time when you are coming. As a physician you will see many things of interest and will find we have not exaggerated conditions. You will be very welcome.

It is jokingly said that "doctors bury their mistakes" - won't you bury this unfortunate one of ours?

Very truly yours,

LETTER No. 55. Here the customer is given extra special service after complaining about a shipment.

Dear Mr. Field:

If we neglected to include the hinges on your recent hardware order, we certainly deserve everything you said about us in your letter of the 16th. We're sincerely sorry about the trouble and delay.

In checking over our memorandum we find the hinges are not listed. Perhaps our Mr. Baker neglected to jot down this item; or possibly you overlooked mentioning the hinges. At any rate, the important thing is that you need those hinges, and need them mighty bad. So they are going forward today by Parcel Post, Special Delivery, Special Handling. You should have them almost as soon as this letter reaches you.

We do hope that you will not be seriously inconvenienced.

Sincerely yours,

LETTER No. 56. Offering the customer a reasonable compromise in answer to his request that some shoes be returned.

Gentlemen:

When a customer writes us for the privilege of returning boots for exchange or credit the first thought that comes to him is that we have customers scattered all over the U. S., and that we can use this returned merchandise by placing it with others.

Naturally, it's embarrassing to us to decline an accommodation, which in itself looks to be only a small item, but when you consider that over a period of time such requests run into the thousands, you can appreciate that it would be necessary for us to set up a department requiring additional help and resulting in added expense. This expense cannot readily be added into the cost of the goods, because that would be unfair to those customers who carry large stocks and who do not ask for such privileges. They, therefore, should not be penalized with such costs.

It has been estimated that the cost of handling returned goods ranges from slightly over 50¢ per pair in the case of shoes, lace boots and cowboy boots, to slightly over \$1.00 in the case of riding and field boots. This last figure being greater because usually these boots must again be placed on the forms and retreed.

All of us realize that a properly balanced stock is the only satisfactory method of fitting a customer. To attempt to fit a customer with a pair of boots, judging from the size of his or her foot, is almost impossible, due to the variation in the types of lasts, etc. There are times when you feel you cannot afford the risk of keeping a special size in stock, if the boots do not fit, and it is then that you think of an exchange or return.

In our fifty odd years of dealing with merchants, we have found most of them to be fair. The trouble, if any, has been that we have not always understood each other's problems. In this case, if you are willing to reimburse us for the extra handling cost, plus postage both ways, and if the bottoms have not been scratched or soiled, the deal is made. Is this satisfactory?

Yours very truly,

P. S. Write your reply on the back of this letter and drop it into the mail.

LETTERS TO COLLECT MONEY

Next to sales, the problem of giving credit and collecting money is probably the most important to business. A company cannot operate unless its products are sold at a profit, and that profit can-

not be maintained unless customers pay their bills. So you see the man responsible for collections and credit holds a vital position.

Furthermore, practically all of his work is handled by mail. The salesman, except in extraordinary cases, does not have time to collect money. Neither is it possible for the credit manager to personally deliver bills or collect for them. This means that they must be sent out by mail, and when ignored, letters must be used to get the money. The job of writing those letters is one requiring great diplomacy, and considerable skill. Tactless letters irritate the debtor, and make him all the more stubborn about paying. Moreover, when he does pay his bill, he holds a grudge against the man who handled him so roughly. He resolves never again to buy from that "blankety-blank" company.

This means that the credit manager is balanced on the point of a needle—trying to hold customer goodwill, and at the same time trying to make them behave properly. If he bears down too hard in collecting unpaid bills, then the sales department accuses him of not cooperating with the salesmen—he makes it difficult for them to get repeat orders. If he is too "soft," then he is quickly reminded by the chief executive that collections must be kept up to date.

It is reasonable to say, however, that the average person *intends* to pay his debts. When he makes a purchase, he *thinks* he can pay the bill within the allowed time. But sometimes he overestimates that ability to pay, or perhaps he is the victim of unexpected circumstances that squeeze his purse. He still means to pay the bill, and feels he is doing his best. He doesn't want to be bullied or humiliated with letters which imply he is a cheat or a rascal.

More than that, he *does* begin to pay his debts as soon as possible. Maybe he cannot pay them all at one time, so he gives preference to some over the others. And in making his choice of which bills to pay first, it is logical to expect that he will favor the company whose follow-ups have been friendly and tactful. Or, if by threat of law-suit, he is forced to pay one company ahead of the rest, he certainly puts that company on his black-list when it comes to future purchases.

All of the above, of course, applies to the debtor who is fundamentally *honest*—who means to pay his debts, and will pay them, at the very first opportunity. They include the majority of people, because most of us are honest and dependable. On the other hand,

there are some folks who are the opposite—they ignore their obligations purposely and take every chance to avoid meeting them. Such people must be handled more bluntly than the others.

If you will agree to the above, then it is clear that the credit manager must be a good student of human nature. He must be careful in granting credit to separate those who are honest from those who are not. When he does make a mistake and give credit to one of the "black-sheep" he is forced to handle him differently than those who are white.

In no case, however, should a collection letter ever be ugly or sarcastic in spirit. It is quite possible to be firm and at the same time be friendly. A delinquent customer can be told in a nice way that his account will be turned over to an attorney for collection. Even that "last resort" step can be taken with sympathy for the victim, and the deep regret that such a step is necessary.

The amount of time allowed any customer in paying his bills varies in different companies, and according to past relations with that customer. If he has been a "good-pay" buyer for several years, and then falls behind, he will get more consideration than one who has recently started dealing with the company. In any case, the first collection letter to a delinquent is usually only a reminder that the bill is unpaid, suggesting that perhaps it has been overlooked, and asking for a check. A few days later, usually about ten, a second letter is mailed—later a third and a fourth. As time goes on, and especially if the letters are not answered, the collection manager becomes more insistent. He knows by then that the failure to pay was not an oversight, that each unanswered letter increases the chance that the customer is involved in a serious financial difficulty.

Finally, the situation comes to the point where the customer gets a final appeal to pay or take the consequences. This is commonly called the "last resort" collection letter. In it, the credit manager uses every possible argument which may get the money without a law-suit. The latter is expensive, even if won. It means no profit on the sale, and usually a loss.

Of course, the credit manager has other letters to write besides those which go after money. He must at times *refuse* credit to the man whose rating is not good, and try to make the order stick on a cash basis. He must insist that customers do not take discounts which have not been earned. But at all times, he must approach his readers with tolerance and understanding, trying

to make them see that while certain terms must be met, he is just as anxious to serve them well as are the members of the sales department.

The following letters, actually used by some of the leading credit managers in America, will give you a conception of how various collection problems are rightly handled.

LETTER No. 57. The friendly "have you forgotten" type usually used as a first follow-up.

Dear Subscriber:

Our accounting department does solemnly affirm, maintain and assert that you owe us five dollars.

We hate to get excited about five dollars. We also dislike the usual "collection letter" which bursts into tears in the first paragraph and yells for the law in the second.

Trouble is though that you and 999 other subscribers all holding out five dollars leave us \$5000 in the hole. It is this little problem in elementary arithmetic that shakes our faith in humanity.

So to quote from an esteemed contemporary won't you "obey that impulse" and send us your check for five dollars, for in this case procrastination is certainly the thief of TIME.

Sincerely yours,

LETTER No. 58. The customer has not replied to a previous one, so he gets this second reminder.

Gentlemen:

You know it's the usual thing, when no answer is received to a collection letter, for most people to josh themselves into thinking that it was overlooked.

But I am frank enough to admit that I believe you did not answer my letter, with a check, because, you, perhaps, didn't have the money right then. Am I right?

You see, I am taking it for granted that you would feel just as we do if conditions were reversed, so I am appealing to your sense of fairness.

Don't you think it would be only fair to send what is due, after we have waited so long a time?

Think it over, Mr. Blank, and if you cannot send a check today, let me know when to expect one. This little courtesy won't take very much of your time, and we will appreciate it.

The addressed envelope is for your convenience.

Yours truly,

LETTER No. 59. An example of the type used with good results after two or more letters have been ignored.

Dear Dr. Kinney:

What would YOU do if you had an account like this?

It isn't large ... by itself ... but how a group of them can count up! And when they are for small amounts how hard it is not to lose all your legitimate profit - and more - on collection expense!

We were glad to extend open account terms to you - and although this has run far beyond the usual 30 days, isn't it true that we've been fairly decent about waiting this long for our money?

There, in a few short lines, is our whole case. We don't want to be unpleasant. Most certainly we don't want to subject you to annoyance by turning over this little bill to a collection agency.

We want your goodwill. We'd like to count you among our preferred customers. I cannot believe that you want us to suffer a loss because of our good faith in sending your order without cash in advance.

So I am enclosing an addressed envelope that needs no postage, and I am appealing to you to use it - this moment - to send the small sum owing to us.

Please !

LETTER No. 60. Here the credit manager uses the humorous approach in the effort to get the money.

Dear Mr. Means:

The worst has happened! Elmer, our treasurer, has found out about your account and is threatening to write you a letter!

As a friend of yours I implore you to pay now before it is too late! People who get Elmer's collection letters never recover. We hide the Accounts Receivable Ledger from him but sometimes he finds it and gets out of hand. If you realized the horror of it you'd mail your check at once. If you had seen the pitiful results as we know them! Young men prematurely aged and strong men broken - babbling in a corner through palsied fingers. It is hideous!

Usually Elmer's letters result in 40 per cent collections and 60 per cent suicides. He may have other words in his vocabulary besides "sue," "legal action," and the un-repeatables, but no one has heard him use any since the spring of 1908.

Elmer's old mother (who has been in a sanitarium since he was seven) tells us that he was a happy, normal boy until he was five. Then a neighbor child persuaded him to trade two old pennies for one shiny new one. When Elmer found out he'd been hornswoggled the change came over night. He earned his first dime drowning kittens, worked in a slaughter house when he was fourteen and is now treasurer of our company. He is president of the League for Restoration of the Death Penalty and has filed a standing application for the job of public hangman.

You see the situation. I like people and I just can't stand the thought of having Elmer destroy your will to live. So please, for your own sake and the ease of my conscience, mail your check today for the \$3.45 owing to us for your Personalized Christmas Greetings - or you may get a letter from Elmer - God forbid.

Urgently yours,

LETTER No. 61. A final appeal to an old customer whose payments in the past have been prompt.

Gentlemen:

I wish that I were able to sit down and talk to you for about ten minutes in regard to handling of your account. I would be very much interested in knowing the circumstances that have prompted delay in remitting for January and February charges.

The distance between us makes it impossible for me to see you at this time. Accordingly, I have to sit back here and look at factors such as past experience, ratings and credit information in an effort to determine why our account has not been taken care of. Now the surprising thing is that all these factors point to you having a very satisfactory credit standing but for some reason or other we have been waiting five or six months for settlement of our account.

At the present time there is outstanding a balance of \$157.47 on shipments that went forward last January and February. Ordinarily, we would be very much alarmed about an account as old as yours is and would seriously consider taking other steps to protect our interests. Our attitude about your account is quite to the contrary. We have been glad to show you special consideration in view of the very satisfactory manner in which invoices have been taken care of in the past and do not feel at all concerned about ultimate payment.

The thing that does bother us is that you have not at any time written explaining reason for delay in remitting for January and February invoices. I am sure you will appreciate that it would be a lot easier for us if we did have the details on your account and it would make us feel that you are not abusing the confidence we have in you.

To avoid the possibility of any misunderstanding we would appreciate your either making immediate arrangements for taking care of overdue balance on your account or dropping us a note today advising just what can be expected. Surely you will agree that we are entitled to this consideration.

Yours very truly,

LETTER No. 62. While it tells the customer he is about to be sued, the letter is still friendly.

Dear Mr. Jones:

If a man owed you \$225 and seemed unwilling to pay it, what would you do? Would you merely wish that he would surprise you someday with a check? No, you would not. You would go right after your money, wouldn't you?

Perhaps you would like to know how we credit managers feel about the whole business. We get a lot of pleasure out of our work, because we find that most people respond to fairness and willingness to cooperate.

When a customer does not send us a check by the tenth of the month, we always give him the benefit of the doubt and assume that he has merely forgotten. We wait a few days and send him a friendly reminder. If we do not hear from him within a reasonable time, we assume that he is in financial difficulties and we like to talk things over and see whether we can find a way out or not. If he does not respond to our friendly offer of assistance, we naturally assume that he is unwilling to pay - perhaps for some very good reason - it may be our fault. We are still willing to help and settle the matter pleasantly. If there is no response to this appeal, the only thing we can think is that the customer doesn't care.

When we have begun to have doubts as to one's responsibility, we have to report the case to the Credit Association and that does not help the credit standing of the customer. We make every effort to protect that credit standing because it is to our advantage to do so. It is also decidedly to the advantage of the customer. If our suggestions and friendly offers are not accepted and no explanation is given, we begin to think of collection agencies and lawsuits - but not until we are compelled to do so by those who are unwilling to cooperate.

You have made it necessary for us to think of the most disagreeable things - courts, lawyers arguing over a few dollars, costs, time lost, credit impaired - not a pleasant picture is it? The situation is this - if we do not hear from you within five days we shall have to transfer the account to our attorneys for whatever action they may consider necessary.

Sincerely yours,

LETTER No. 63. A goodwill letter—thanking the customer who has paid his notes in the agreed time.

Dear Mr. Allen:

The play has ended and the stage darkened.

This does not mean, however, that the memory of a good performance is forgotten or the principal actors whose work made the play a memorable thing are unappreciated.

On the contrary we do appreciate the fine manner in which you paid your notes on the fan account and it is with real pleasure that we return the original note and mortgage to you, duly cancelled with recorder's release.

This one play is over. That is true, but the show of business continues and we want to have a part in that big performance by helping you either with our equipment or suggestions.

Again that word of thanks for your choice of our equipment and your promptness in making payment. We hope too, we shall soon rise to the curtain call for serving you again.

Yours very truly,

LETTER No. 64. Used when the buyer's credit rating would not justify shipping the order on "open" terms.

Dear Mr. Adams:

Thanks for the fine order which you gave to Jack Huston last Friday. It's a good selection — one that includes many of our best-selling styles.

Much as we should like to send these shoes to you right away, we can't see our way clear to do it. The trouble is that we don't have the kind of credit information about your company that we need to send an order of this size on open account.

Put yourself in our place, Mr. Adams. Suppose a customer who hadn't traded with you before walked into your store, bought some shoes, and asked you to wait for your money. Naturally, you would want to sell him the shoes and if he looked like the right kind of fellow you'd be tempted to say, "It's all right. Take the shoes and pay me later."

And, it would be all right to do this once or twice. But you couldn't keep on doing it. Pretty soon you'd find everything you had invested in your business tied up — on the outside.

That's the way it is with us. We'd like to say "yes" on each new account but it just wouldn't be good business for us — or, in the long run, for the fellow who buys from us.

So, we have worked out a plan that is followed by many dealers who are buying Cobb shoes for the first time. It has helped a lot of dealers like yourself to get started with the Cobb line and to build up a fine business on Cobb shoes. It has also enabled us to sell Cobb shoes at a price which gives the dealer a much greater margin of profit.

Briefly, it is this. The dealer has his first shipment go out, sight draft (for one-half the total of his order) attached to bill of lading. Then he arranges to pay the balance within thirty days. Most dealers find that by featuring Cobb shoes they can pay off well within the thirty days and order replacements. Gradually, of course, they build up their business on the Cobb line - and their credit with the Cobb Company.

It's a plan that has worked mighty well for others and that we are sure will work for you. Just wire us collect, saying that it's all right, and the shoes will be on their way at once.

Very cordially yours,

LETTER No. 65. Another fine "last resort" follow-up.

Dear Dr. West:

I have been extremely disappointed at not receiving even a partial remittance on your account since we wrote you on August 10.

Frankly, the "open and above board" tone of your letter convinced me that you were a young man worth carrying. I felt that if you would only show a tendency to meet us half way, we would, somehow, pull through this difficult period together.

I looked upon the partial remittance I asked you for, as an example of your good faith.

You know everyone hates to think that his judgment of human nature is faulty. It is the realization of the mistakes we all make that causes credit men to become crabbed and dyspeptic - and I'd hate to number you among my mistakes.

We have reached the end of our rope now. It has been more than six months since you have made a payment on your account, and if you are not able to resume at least partial payments immediately, I shall simply have to assume that my judgment of you was faulty. Then I shall have no choice but to let our legal department proceed to collect this account as best they can.

I shall hold this file for ten days only.

Very truly yours,

LETTER No. 66. To the customer who insists on taking a discount to which he is not entitled.

Although you say, friend Rayman, that you will quit doing business with us if we insist that you pay the unearned discount deducted from our invoice of April 10th, I honestly believe it would be the other way around. I say this because few of us have any respect for those who do not stand for their rights. And we are within our rights, else I wouldn't write.

Let's suppose a man came to you and bought a bill of goods. Upon buying, he asked for the cash price and the term price. Then suppose he waits until long after the term period had expired, and then pays you the cash price. Wouldn't you, friend Rayman, go to him and say he was still owing you a difference? I believe that you would.

Now, that is our position exactly. When we offered our proposition we, in effect, said to your buyer: "If you pay our invoice within 70 days, you may deduct 4% as a cash discount. But if the bill is not paid after 70 days, then, the invoice is net. The discount privilege is lost."

This term proposition was accepted when you bought \$101.60 worth of rugs on April 10th. The last day for discounting was June 20th. But your accountant didn't mail the check until August 6th — or 47 days after the last discount date. When he did he deducted a discount that was no longer available.

What would you do, friend Rayman, were you in our place? Would you ask for the \$3.97 erroneously deducted? If you wouldn't, say nothing, and we'll write it off, never saying another word about it. But if you would, then you will know what to do with the stamped envelope I enclose.

With best good wishes.

LETTERS OF APPLICATION

While application letters for employment are not strictly a part of business—since they are written by outsiders to the company—it may be that a short review of them will be helpful to readers of this discussion. Most of us find it necessary at one time or another to write for positions, but not always effectively.

Personnel directors will tell you that the average young person applying for a job has small conception of how to go about it. He does not seem to realize that the application letter is an attempted "sale"—just as much as would be a letter about an automobile, a house, or a pail of fish. Don't laugh at the idea of

selling fish by mail, for there are several companies who do it successfully.

If you were trying to sell a dog to a friend, you would probably describe how gentle he was with children, how fearless with strangers. You would tell about some of his tricks and of the smart things he had done while you were his master. But the average person trying to *sell himself* makes a poor job of putting his own good points on paper. Usually, he says that he is willing to "do anything," and that only irritates the executive to whom the letter is mailed. Business men are looking for young men and women who know *what* they want to do, and who have prepared for it. Give *reasons*, too, why you should be hired.

In applying for a job by letter, you must also realize that others are doing the same thing. In a large company, it is not unusual to get fifty to one hundred letters a week from job hunters. If an "ad" has been inserted in the newspaper, asking for application letters, several hundred may come in. Now place yourself in the chair of the executive who reads those letters. How would you go about selecting certain of the writers for interviews?

Well, first, you would have a better opinion of the person who was neat and thorough in stating his case than the one who was sloppy and careless. After all, the application letter is an evidence of what your value will be on the job. The man who dashes off his message in a wild scribble—misspelling words and taking no pains—is likely to be just as "rambunctious" when he goes to work.

Second, you would be interested to see how well the applicant argued for himself—what good, sound reasons he gave to indicate that he might be an exceptional fellow. Modesty may be a virtue, but it seldom gets a job. The employment manager or personnel director really wants to know about the fine things you accomplished in school, of the honors you won in athletics, of the leadership positions you have held. You do not have to brag about those things—but they are real points in your favor. It is foolish to ignore them.

Third, you would be more interested in the application letter which was *different*. Imagination and cleverness are just as desirable in business as any other place in life. People with interesting personalities always attract more attention—usually get farther—than those who are dull and "grooved." You should *plan* your application letter with just as much care as you would

an assignment for an English class—take just as much time in making it vivid and colorful.

Fourth, you would be impressed by the applicant who seemed to have a serious purpose in life. Business men like to put their money on young folks who are using part of their outside time in study—rather than all of it in play. The applicant should tell what he is doing to get ready for bigger things. For example, like reading this book and taking the course of which it is a part.

The average application letter is far too short. It doesn't *make a sale*. The writers tell why they *want* positions, but they only *ask* for them. They give no proof of their ability. Another common fault is ignoring the specifications for the job as stated in the "ad." If the latter says specifically that an inexperienced boy with high school education is wanted, it is a waste of time for a man forty years old to put his hat in the ring.

But suppose you examine a few good application letters which actually have landed jobs for the writers. From them you will get some good hints for your own use.

LETTER No. 67. The application of a young man who wanted to write sales letters, and proved he could by selling himself.

Dear Mr. Downey:

It will take about two minutes for you to read this letter, but it may lead to an understanding between us which will last for many years. At least, will you just relax and listen while I tell my story.

Frankly, I come to you as a salesman, and that automatically makes you the potential buyer. What I have to sell is used in every business. It is both necessary and important — and you could not possibly get along without it.

I am not fooling myself with the thought that fancy words or glittering generalities in this letter will make the sale. That would be an insult to your intelligence, and a reflection on your buying ability. Unless I can offer superior quality and lasting satisfaction, you will not be interested. And should not be!

Coming straight to the point, it is a MAN I have for sale — and that man is myself.

Without wasting a lot of time with details about experience and training, which can be explained later, let me simply say that I can write sales letters which do get orders. I can write them better than the average man, and for that reason I can get you more orders than you ordinarily would expect.

That's my story in a nutshell ... better sales letters ... more orders ... extra profit for your business. It's a statement I can prove by performance on the job - just as I have done on other jobs. And on that statement, I rest my case!

If you are not completely satisfied with the pull of your sales letters; if you are anxious to push some new product by mail selling, then I can absolutely guarantee results on either job. This isn't a bit of bragging - just plain, unvarnished truth. I do know the technique of writing sales letters - because I have been digging at it for years.

Please let me know when I may see you. (Phone: KEarny 6600.) At that time I'll add the other information about myself that you will want. I am old in experience, but not in years. All of that experience is available - to straighten out any kinks in the letters you are now using, or to write new ones that will increase your sales.

Thank you very much.

Very sincerely,

LETTER No. 68. This girl made her application letter interesting, and in that way got the job.

Dear Mr. Hunter:

My name is Alice - Alice Royce.

Of course, you have never heard of me, but it is my hope that some day my name will hang high in your office. Yes, I might just as well tell you now, because it has to come out some place in this letter - that I want to work for your company.

They say that good things come in small packages. Please think they do. You see, I only weigh one hundred and five pounds, and stretch as I will, I can't make myself taller than five feet and two inches. I don't know what to say about my appearance - maybe the least said, the better. But to be quite honest about that, too, I couldn't be so bad or the boys wouldn't have elected me Queen of the Senior class in high school. I say "the boys" because, of course, each girl voted for herself. Oh, yes, I am a blonde - but it's natural, and you couldn't blame me for that, could you?

Well, those are the least important of the things you want to know about me. After all, I have always heard that "business is business" and that to hold my own I'll have to be able to stand a lot of competition. All right, I'm not afraid. Maybe it sounds like bragging, but just the same I've got to tell you that in high school I was second in a class of two hundred - and that couldn't have been an accident, could it?

Now please don't think I am claiming to be smart. Of course, I'm not really. But when it came to work - well, the studies came first, and the boys got their dates when the studies were done - which wasn't very often. I never could get any fun out of a job half done, and I wouldn't in your business. You can count on that - and I'm not fibbing.

After high school, I wanted to get some more training - something more practical, more useful in business. So, this month I am finishing my second year in the secretarial course at Brown's Business College. There I have learned a lot of things that will help me to please you. I suppose you already have a good secretary - and I don't want her job. But I do want to be around so that when she goes away to get married, you can say "Alice, how would you like to be my secretary?"

And could I? Well, maybe you don't pay much attention to your spelling, but leave that to me and Webster. We know all the words. And when it comes to shorthand - talk just as fast as you like, and change your mind in the middle of every sentence. It won't matter. You'll get your letters back exactly as you meant to say them. I'll vouch for that.

Please tell me when I can come in for an interview. The telephone number is Garfield 2400, and I mean to stay home until you call. It's on pins and needles I'll be until I know - surely not a place you would long leave a young lady.

LETTER No. 69. A follow-up after the applicant has been granted an interview.

Dear Mr. Johnson:

Thanks much for the pleasant interview.

We had so much to talk over, and the conversation was so interesting, that I completely forgot one important subject which I had intended to mention. That's the little matter of new business - agency solicitation.

Unofficially, I have devoted a lot of time to this phase of agency activity, and have a system of letters and simple mailing pieces that has proved successful in getting inquiries for small agencies. It will be even more effective for a large agency.

The mailings go out in a series, each unit discussing one principle of advertising, and then showing how this principle is applied - to the client's advantage - by our organization; that is, by the agency doing the mailing.

It works. It's a-b-c stuff; but therein, apparently, lies its appeal. Prospects that receive this literature seem to feel that this agency knows the fundamentals, and practices them.

The system works almost automatically, once it's set up. I can handle it between jobs, I'm sure, with the assistance of one stenographer. Leads produced will of course be turned over to a regular new business man for follow-up.

I'm tremendously enthusiastic about the possibilities of that job, Mr. Johnson. It's interesting in itself, and interesting for what it leads to. I'm confiding to you solemnly, Mr. Johnson - it's a clear case of predestination. That job and I were meant for each other. You'll be facilitating the will of the Powers that Be when you say, "All right, Ott; Come on; go to work."

And greatly shall you be rewarded.

Sincerely,

LETTER No. 70. Here the applicant adroitly uses an interesting story to awaken reader interest in himself.

Dear Sir:

Did you ever hear about the man who built a motor boat down in his cellar?

When he got through with it, it was a great boat. But he found that the boat was so big and the door so small, that he couldn't get it out of the cellar.

You had heard of him, hadn't you? But did you ever hear what happened next? I never did. I don't know whether he tore the boat up or the cellar down - or just turned on the faucets and did his sailing in the basement.

Sometimes about the same thing happens in developing new employees.

They are hired, and a great deal of time is spent in adjusting them to the business - only to discover that they don't fit the job.

I honestly believe that I could make good in one of the positions which you have available, if given an opportunity. My experience in working my way through college and taking night school courses on the outside indicates my desire to succeed. An average grade of 94% at the University of Wisconsin and diploma "with honors" shows excellence in scholarship. An executive position which I have held during the summer months, and particularly my college publication activities, indicate that I have the initiative required for leadership.

May I tell you more about my qualifications in an interview?

I shall be looking forward eagerly to hearing from you, either at the above address or at telephone number Colfax 1240.

Respectfully yours,

Now you come to the end of this discussion of business letters. Purposely, the major part of the space has been used to show you many of the ways that letters are actually being used today by business executives to increase sales and build goodwill. You now have a good foundation on which to build future study of the subject. You also have acquired a knowledge which should be of great practical value to you on any job that involves the handling of correspondence—sample letters for many needs that you can use as models, and ideas that you can adapt to other situations.

And here is a parting thought that you should always remember. Do strive in every letter to be *friendly*. Think of the reader more than of yourself. Seek to serve him in a way that will reflect your own friendly spirit, and thus win respect for the company that you represent. The good letter writer seeks not only to transact business speedily, but he never overlooks a chance to make a cordial contact with customer or prospect.

On the letterhead of one company in Mississippi is printed the following slogan—"Language was made so that we might say pleasant things to each other." Doesn't that pretty well summarize all that has been said in this book about business letters? It is mostly a matter of your own mental attitude. The man who enjoys his work, who has a keen interest in other human beings, cannot fail to make his letters interesting and helpful.

Keep your standard high. Let the goodwill in your heart scatter to every place that your letters go. In that way only, can you hope to be a true letter craftsman.

OFFICE MANAGEMENT

PART I

PRINCIPLES OF ORGANIZATION AND MANAGEMENT

Importance of Office Function. A significant index of the importance of the office function is found in statistics furnished by the United States Bureau of the Census.

In 1910, there were 1,717,458 persons or 4.5 per cent of the total gainfully employed, engaged in clerical occupations. In 1920, there were 3,111,836 persons or 7.5 per cent of the total gainfully employed, engaged in performing clerical tasks.

According to the census of 1930, there were 4,025,324 persons, or 8.2 per cent of the total gainfully employed working in clerical positions.

The increase from 4.5 per cent in 1910 to 8.2 per cent in 1930—a gain of 3.7 per cent is a relative increase of *82 per cent* in the clerical workers of the United States, relative to the total gainfully employed. That is, in terms of the number of people gainfully employed, the clerical work-force has nearly doubled itself within two decades.

These data do not include bookkeepers, cashiers, and accountants who may also be classified as workers within the office. In 1910 the total number of bookkeepers, cashiers, and accountants totaled 486,700; in 1920 the number had risen to 734,688, and in 1930 to 930,648. This is almost a 100 per cent increase in actual numbers to say nothing of the relative percentage increase to the total number of gainfully employed persons.

Organizing for Office Work. In a business of a size sufficient to warrant the grouping of various kinds of activities the following separate major classifications are frequently found: (1) sales; (2) production (if manufacturing is done); (3) financial; (4) record keeping.

All activities relating to the distribution of goods may be grouped under sales. Consequently, a person is put in charge of these activities and the work that he has authority over and re-

sponsibility for is said to come within his department. He is called the Sales Manager.

Someone is also vested with authority and responsibilities for all activities relating to the manufacturing of products. In other words, they are departmentalized under a single person called the Production Manager.

Financial activities include the handling of all money received by the firm; the distribution of this money as needed by various other departments of the business; payment of money to the owners or shareholders of the company as a part of their share of the profits; and the raising of money by stock or bond issues (or commercial loans) when necessary to finance the business. Financial activities so grouped come within the department of the Treasurer.

Activities relating to record keeping include those of bookkeeping, assembling and presenting of financial data, preparing estimates of future activities of the business (called budgeting), and making up other statistical reports.

Because the work done in the office is so related to record keeping, office activities are frequently included here. When this is the case, the clerical duties are grouped in a sub-department under the one in charge of the records (called a Comptroller), and a separate person placed in charge of them. This person is the Office Manager and he is under and responsible to the Comptroller. An organization chart showing this set-up is presented in Illustration 1.

In other organization schemes the Office Manager may be found working directly under the chief executive of the firm, or under the one in charge of the finances of the business—the Treasurer. Variations of these three methods of allocating office departmental activities are unusual rather than typical.

ORGANIZATION OF OFFICE ACTIVITIES

According to the chart shown in Illustration 1, all activities relating to office work are grouped under one person, the Office Manager. While this may be true for some activities, such as handling the mail, providing messenger service, filing, and the transcribing of dictation, it does not hold for all. This is because it is very difficult in actual practice to allocate all activities of a clerical nature under the Office Manager, and have them done in a centralized department.

The Sales Manager, for example, may wish to employ his own secretary who will handle various work in his office. She may even take dictation and write letters, and to the extent that she does this, the central office is relieved of these duties. She may also keep files relating to sales work which in turn reduces the filing done in the central office. What is true for the Sales Manager in respect to handling certain clerical functions may also be true for the Produc-

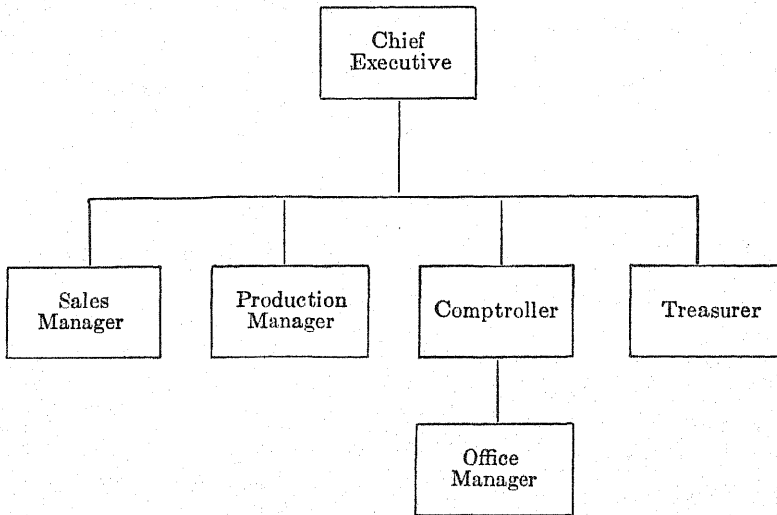


Illustration 1. Chart showing functional grouping of different kinds of activities into departments. The office functions are placed in a separate department under an Office Manager who reports to the Comptroller.

tion Manager, the Treasurer, and possibly other major department heads.

In spite of the fact that there may be performance of a certain amount and kind of clerical work outside the central office, there yet remains a large portion of these same activities which will be performed within the central office, and, in many instances, all of certain kinds of activities will be performed within.

A summarization of activities over which the Office Manager has authority, and for which he is responsible is given below. These various activities will be subsequently discussed in detail. They are as follows:

1. Handling of mail, both incoming and outgoing.
2. Maintenance of a centralized filing department.

3. Handling of correspondence.
4. Purchase and maintenance of office equipment and appliances.
5. Purchase and issuance of office supplies.
6. Maintenance and repair of building.
7. Reception of company visitors.
8. Preparation and duplication of forms.
9. Office lay-out.
10. Office reports, budget, and manual.
11. Selection, training, and payment of office employees.

The extent to which these various activities will be delegated to other sub-department or section heads will depend, of course, upon the nature of the business. If the business is large, obviously, the office manager will have to delegate authority and responsibility for the proper performance of each group of activities to some one else. In a business of moderate size it may be possible to delegate activities of two or more kinds to a single subordinate executive. In a small business the office manager may delegate to others some of the activities to be performed, retaining for himself those of greater importance. In any case, however, it is he who is responsible for delegation, supervision, and control of the different activities to be performed.

A chart showing activities within an office grouped on a functional basis is shown in Illustration 2. Functional grouping means that like activities are arranged into separate categories.

Mail Handling. Incoming mail is brought to the central office either by postal employees or by special messengers in the employment of the company. It is opened by employees of the central office by means of mechanical letter openers similar to the one shown in Illustration 3. The letters are fed into the machine by hand or by the use of an automatic attachment. As this is done, a revolving knife shears off an edge so thin that the contents of the envelope remain undamaged.

Mail is removed, *time stamped* to show the time and date received, and the envelope clipped to the letter or to other inclosures. Sorting takes place by first segregating all cash, checks or money orders. Notation of the amount received is placed on each letter. Thereafter a further sorting groups the pieces according to departments within the business. A third sorting arranges it by sections within a department, or according to individuals who are to receive it.

OFFICE MANAGER

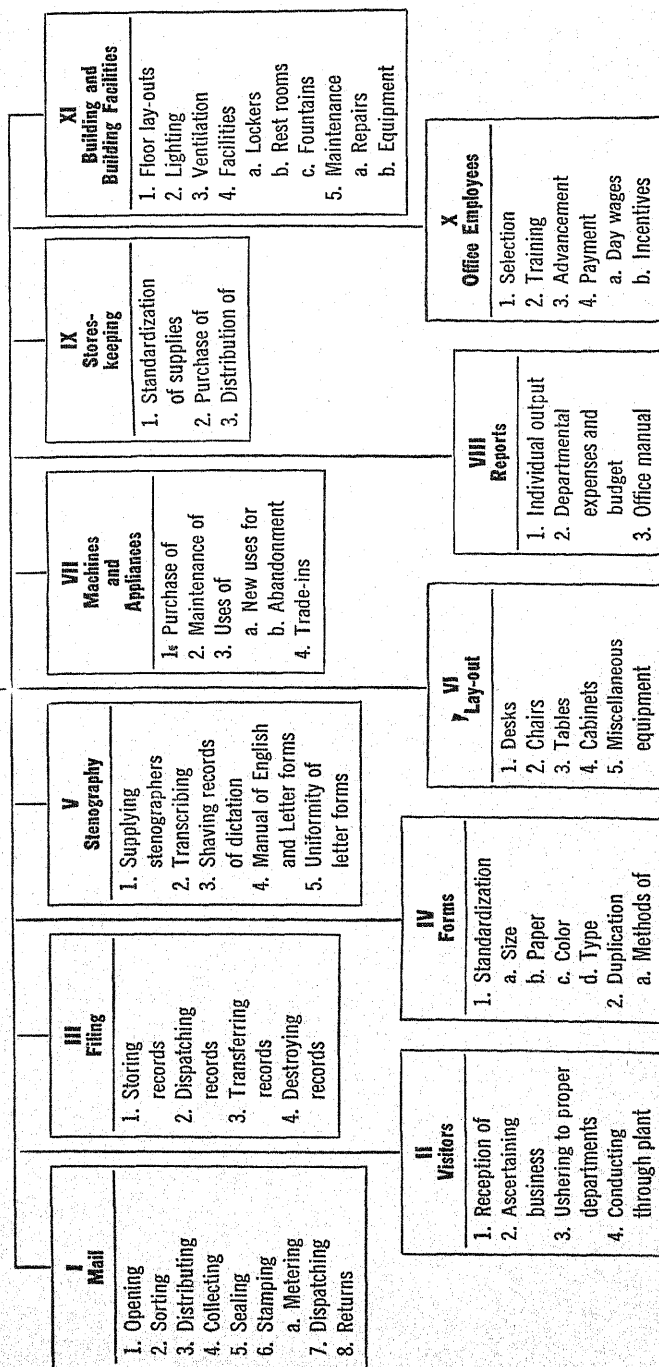


Illustration 2. Chart showing functions of office.

Distribution of the mail is made by employees of the mailing section at regular intervals, depending upon the amount received.

Outgoing Mail. Outgoing mail is collected at regular intervals by messengers from the central office. It is sorted according to

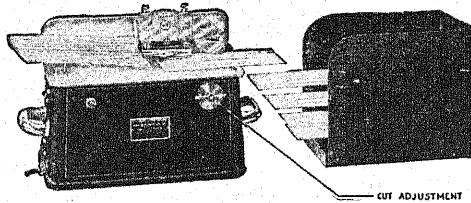


Illustration 3. Power operated letter opener capable of cutting the ends of 500 envelopes per minute without damaging the contents.

nature and geographical centers to which it is to be sent. The first is important inasmuch as different rates of postage apply to the different classes; the second is important partly for the same reason and also because mail sorted and tied in bundles for different geo-

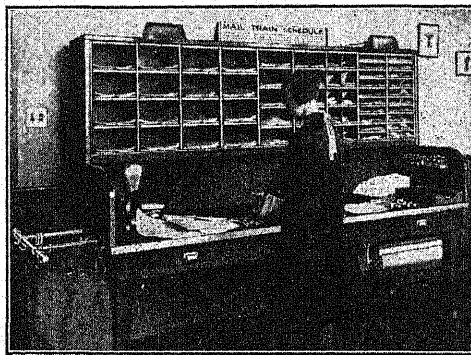


Illustration 4. Steel table used for sorting incoming and outgoing mail. Compartments may be adjusted to conform to the required size for the quantity of mail handled.

graphical locations can be more quickly dispatched by the post office department. Steel tables similar to the one shown in Illustration 4 are used to facilitate the sorting of outgoing mail.

Unsealed mail received from various departments must first be sealed before it can be sorted. Letters and inclosures, if any, are folded by hand, placed in the envelope, and the latter sealed. Seal-

ing may be done by hand or by machine. If done by machine, it is necessary to employ one that will separate the envelopes, feed them into position where moistening and compressing the flap may take place, and eject them into piles.

Stamp affixers, or metering machines place the proper amount of postage on the envelopes. The former, Illustration 5, moistens the stamp, separates it from the roll of stamps contained within the machine and affixes it to the envelope upon the operation of the plunger. On some models a counting device is actuated by operation

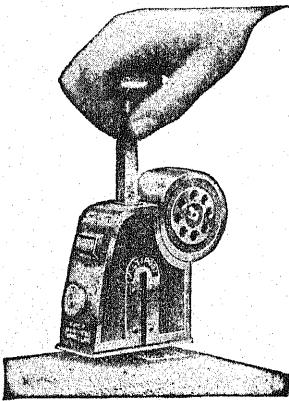


Illustration 5. Hand stamp affixer operated by depressing the lever. The operation moistens the stamp, affixes it on the envelope, and adds the postage in a counter which may be seen at the front of the machine.

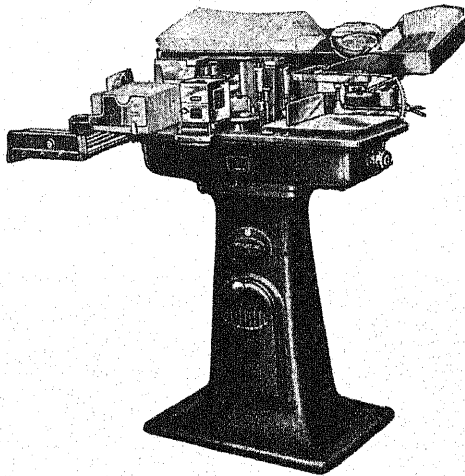


Illustration 6. Mailing machine which not only prints the necessary postage on each envelope but seals the letters as well.

of the plunger, thus enabling the office manager to keep account of the stamps used.

A metering machine, as shown in Illustration 6, is procured from the post office. Instead of affixing stamps it prints the proper indicia thereon. The number of impressions needed are paid for in advance, the machine is set, and imprinting takes place. When the limit is reached, the meter must be reset by a postal employee.

Mailing machines such as these usually perform the following operations: (1) feeding, (2) sealing, (3) imprinting, (4) counting, (5) post-marking, (6) cancelling, and (7) stacking. Mail thus prepared is segregated according to geographical location and sent to the post office with assurance that it will be dispatched quickly.

Returns. It is the duty of the section head in charge of the mailing room to trace lost letters, and to account for all returned letters. In case of the latter, it may mean the elimination of the name to which the letter was addressed from the mailing file inasmuch as money is wasted by attempting to reach parties who have moved and left no address.

Visitors. The reception of visitors is an activity which may be combined with some other office routine. The employee at the reception desk is frequently required to handle the switchboard, type letters, and even keep books or records during intervals when he or she is free from callers.

Since this miscellaneous work is of a clerical nature, and since it can be easily combined with the duties involved in receiving callers, it naturally follows that this latter activity should fall to the office manager. Furthermore, since the office is essentially a service department administering to the needs of the various departments within the business, the reception of callers is essentially a function involving a service which can be better handled by this department than by any other.

Receiving visitors requires a certain amount of tact and resourcefulness on the part of the employee at the reception desk. This calls for a certain type of individual which must be either trained or selected from those already trained. The office manager is in a strategic position to supply this person because of his intimate knowledge of the needs of the other departments in respect to receiving or avoiding visitors.

Making appointments for the visitor with employees within the organization and either directing or ushering him to the proper place are duties involving the reception desk and for which the office manager must assume responsibility.

In some instances, regularly conducted tours through the plant are a part of the firm's policy in order to advertise the product and build goodwill. When this is the case, it is the duty of the office manager to supply the proper guide service, arrange the tours, schedule the time, and in cooperation with the sales department prepare lectures for the guides, and to distribute literature.

Filing. To the extent that centralized filing is maintained under the office manager, to the same extent does this particular

function become increasingly important. Centralized filing means that all papers or correspondence relating to a subject or transaction within the company are assembled and kept in one place. This in itself is an advantage over the method which permits the papers to be scattered in various files in the several departments, since a complete story of the subject matter or transaction can be had only when all pieces of copy relating thereto are in a single place.

Concentration of all filing under the office manager enables him to select and train employees who are adept at this work. Because these employees become specialists in this work, they are able to store material and locate it when needed more efficiently than those whose duties include filing as only one out of many.

A centralized filing section under the office manager brings about a more uniform system of filing and indexing. Inasmuch as this work is often unstandardized when done within the various departments, a uniform system raises the efficiency of the entire firm in this respect. Inasmuch as methods of filing and indexing constitute an important routine within the firm, whether the work is centralized or decentralized, an entire section of this text is devoted elsewhere to this phase of office work.

When a central filing bureau is maintained, savings may often be made. These arise, in part, from the fact that the filing equipment is more likely to be used to capacity, and in part, from the fact that floor space for filing cabinets is more efficiently allocated.

Lastly, since it is the business of the filing section to *file*, work is done according to schedule and files are kept up-to-date at all times.

Arguments against the maintenance of a centralized filing section under the office manager are usually two, namely: (1) that the different departments have different needs to satisfy and hence no central filing bureau can service these needs; and (2) department heads are inconvenienced in having to send materials to the central filing section. Inconvenience may also result when papers thought to be of a confidential nature must leave the departmental office for the central section, or when delay occurs in furnishing the folders upon call. As to the first, it might be stated that the papers belong to the firm and, unless of a high confidential nature, they need not be retained in the departmental office. As to delay in dispatching

the folders this may be overcome by prompt messenger service, and by the use of a pneumatic tube system, Illustration 7, or overhead carriers for the transmittal of filed material.

Forms. To the office manager is assigned the function of supplying other departments within the business necessary forms. Assignment of this function to him means that he can coordinate the requirements of all departments regarding the form required. This

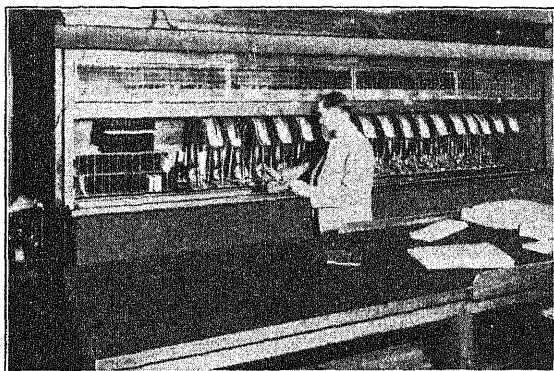


Illustration 7. Pneumatic tubes used to transmit papers and correspondence from central office to various departments within the business.

frequently results in a considerable saving to the business; inasmuch as unstandardized forms, coupled with lack of inventory control, mean waste and increased costs for these materials.

In order to standardize the forms, the office manager takes into consideration the following factors: (1) purpose, (2) design, and (3) construction.

The use to which a form is to be put determines its design and construction. If required simply for notations of temporary character, its design will probably be simple, and the paper stock used certainly of an inexpensive kind. Forms which are used to assemble data regarding financial facts of the business will be, perhaps, more intricate in design, and on paper stock of grade that gives permanence to them.

Weight of paper stock usually determines its permanency, although other characteristics, as composition and finish, are of importance. The former, however, is usually bound up with the latter two characteristics. The length of time the form must be preserved,

the number of times it must be handled, and the kind of impression which is to be made thereon are factors to be considered in determining the quality of the stock to be used.

Matter written in pencil or ink, typed, printed, or duplicated by any of the various methods described and illustrated in detail in a separate section of this discussion, have, because of their specific characteristics, a certain influence upon the design and construction of forms.

Other aspects of standardization of forms relate to the number of lines to be written or duplicated thereon, the kind of instrument or machine used in making the impression, the name of the form, and the number. Once these points have been decided changes are not made except for the very best of reasons.

Stenography. Whether all stenographers are located in the central office under the direct supervision of the office manager, and available for call by executives in other departments will, as previously stated, depend upon the way the business is organized. Inasmuch as stenographic work is essentially of a service nature, the office manager may exercise a certain amount of control over these employees wherever located.

When a central stenographic unit is created within the central office, certain advantages accrue as a result. In the first place, it becomes possible to assign work on the basis of its difficulty, and to those competent to handle it. Work can be distributed among the different stenographers as may be necessary, thus avoiding peak loads of work which often result within departments having one or at the most a few such employees. Salary scales may be worked out to compensate the stenographer in accordance with the quality and quantity of work done. Lastly, standards of performance and standards of accomplishment may be inaugurated. Standards of performance set up the methods of doing the work (such as the style to follow when writing a letter); standards of accomplishment measure the efficiency of the worker. The unit of measurement may be the page of writing, the line of writing, or the stroke on the typewriter. Whatever it may be, the output of the stenographer is measured by the chosen method, and payment for work is made accordingly.

When stenographers are employed in the various departments,

the office manager may exercise a certain authority over them by indirect means. Working through each department head, he may set up standards of performance and standards of accomplishment for these stenographers just as he does for those kept in his own office.

A certain amount of stenographic work can be done in the central office regardless as to whether all such work is centralized there. Dictating machine records prepared on dictating machines, Illustra-

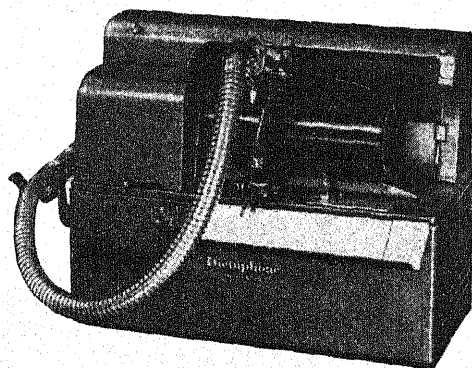


Illustration 8. Dictating machine. The operator speaks into the mouthpiece in a natural tone of voice in order to record the message on the cylinder.

tion 8, and originating in the different departments may be brought to the central office for transcription. (See Illustration 9.) Thereafter, the records can be prepared for new dictation by shaving off a portion of the wax cylinder, Illustration 10, and then returned to the originating department.

Correspondence manuals prepared by the office manager are useful to stenographers wherever they may be stationed within the business. These manuals are useful in standardizing the mechanical make-up, as well as the content of letters. Standardized make-up includes uniform methods of writing the date, address, inside address, and salutation. Indention of paragraphs, spacing of lines, width of margins, punctuation, and method of writing the signature are some of the other features of good letter writing covered in the manual.

Standardized content results from the preparation of form paragraphs to be used by the stenographer or typist when so desig-



Illustration 9. Transcribing section of a central office. Tables are of steel construction.

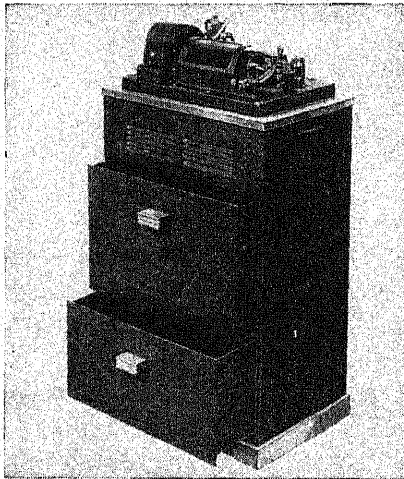


Illustration 10. The shaving machine cuts a thin layer of wax from the cylinder thus removing the old dictation. The records are used by the dictator over and over again.

nated by the dictator. These are referred to by number and it is only necessary to turn to the corresponding number in the manual for the paragraph to use.

Other useful information which may be incorporated in the manual includes lists of words frequently misspelled, and lists of words and phrases improperly used. To make these vital, they should be worked up from an analysis of errors made by the firm's own stenographers.

Layout. The arrangement of sub-departments or sections within the office is known as layout. The fundamental principle underlying layout is: *routine work should flow continuously from the point of origin to the point of termination.* As a corollary of this, it follows that sufficient employees must be stationed along the path of the routine to keep the work moving at all times. This may mean that two employees will be stationed at Point A, four at Point B, and so on, depending upon the ration of the amount of work to be done at these particular places to the total amount to be performed.

Another principle of proper layout is that sub-departments related to each other should be located next to each other. For example, the filing section should be close to the stenographic bureau; the credit and collections section should be adjacent to the book-keeping section; and the duplicating section should be close to the mailing room.

The problem of actually allocating space to each of the various sections where specific types of work is to be performed therein may be solved by the use of a floor plan drawn on a board plus templates. The latter are small wooden or cardboard pieces cut to represent the furniture and equipment to be located in the office. Since both floor plan and templates are made according to scale it is possible to make as many arrangements as are needed knowing that once the most suitable one is found it will be an exact duplicate of the final layout of the office.

Templates are always arranged on the board containing the floor plan with the objective of providing for the continuous flow of work in those sections where it will take place, and also with the idea of conserving as much floor space as possible.

Conserving floor space is important inasmuch as aisles three feet in width are generally necessary, with the main aisles being bisected about every thirty feet. The space necessary for a desk and chair is approximately seventy-five feet. Distance to be allowed between desks ranges all the way from thirty to forty inches, but the

latter distance is preferable. Once an efficient layout is worked out with floor plan and templates, it is approved by the office manager and a blueprint of it is made.

MACHINES AND APPLIANCES

Importance in Office. The fact that records and reports can be produced more quickly, more economically and more accurately justify the use of office machines and appliances.

Records are produced quicker because the machines are operated either mechanically or electrically at faster paces than can be maintained by hand. Replacement of manual workers for specialized machines lowers operating costs. Standardization of method eliminates errors.

Selection of Machines and Appliances. Since so much dependence is placed upon office machines and devices, the function of purchasing, using, maintaining, and discarding becomes one of the most important functions assumed by the office manager. In the purchasing aspect of the function is involved the selection of the proper kind of equipment—a difficult problem when there are so many different devices on the market. Obtaining maximum use of the equipment, and the keeping of cost records in order to have criteria, as to when maintenance costs are exceeding costs which would be incurred in buying a new machine, are also other aspects of this function. Each will be discussed in detail.

Procedure for Proper Selection. In selecting an office machine or appliance, the office manager may be guided by the fact that it is always possible to obtain data on the speed the machine operates thus obtaining criteria as to its productive capacity. He may also get data on its operating upkeep and, in many instances, records are available which will indicate its average useful life. These factors will enable him to decide in part, at least, whether the machine meets his requirements. Other criteria useful in evaluating the worth of any office machine or appliance is the success with which it has operated in other offices. Of course, this may be no indication that it will be successful under different conditions of use. In the latter instance, the office manager may insist on a demonstration by the company selling the machine, and to even insist that a survey be made to see if the machine can be adapted to the routine in

use, or whether the routine can be changed without upsetting the entire office procedure when it is adapted to the machine.

Inasmuch as single units of certain types of office machines sell for as much as \$2,500 the question of cost becomes important. As it frequently happens, the most expensive machine may be the least desirable for the use to which it is to be put. A case in point is found where an expensive duplicator was purchased to turn out a limited number of forms which were usually discarded within a week after use. A simple type of duplicating machine would have served the purpose just as well, saved money, and would have been less in the way than the large machine.

Use of Machine. Since most office appliances are expensive, it naturally follows that their purchase must be justified in many cases by the use to which they will afterward be put. This was illustrated above by the needless purchase of a costly duplicator when an inexpensive machine would have filled the purpose. Other examples of the importance of the factor of use may be found on every hand. An adding machine which shows totals in the dial is generally less expensive than a listing machine, and, in some cases, where the operation is that of checking invoices and the like, the former serves the purpose equally well. A calculating machine operated manually will be appropriate for a limited amount of statistical work, whereas, the electrically operated models should be bought when the statistical work is heavy.

Maintenance of Machines. Maintenance of machines involves keeping records for every piece of equipment in the concern, as well as seeing that they are kept in proper repair. It is a function that may be exercised by the office manager regardless as to whether the device is kept in his own department or in another department.

A purchase card showing the date, kind, serial number, and cost of each machine should be kept. The card will show in addition to these data where the machine is located in the firm. Such cards are filed under the make of the machine and in serial number order.

Entries are made upon these cards at such times the machines are serviced, traded in, or abandoned. Costs of repairs are charged on the cards.

The policy of abandonment or of trading in machines may be determined by the office manager or laid down by the management.

Some machines will last almost indefinitely with the proper care and maintenance. On the other hand, machines of later design may be so improved in regard to operating efficiency and increased capacity that it results in distinct savings to either discard the old machines or trade them in at regular intervals for new ones. Some firms have a general policy of trading in typewriters just prior to the end of their fifth year of service.

Classification of Office Machines. Office machines have been classified in many ways. One writer classified them as follows:

1. Machines for computing, such as adding machines and calculators.
2. Machines for the creation and preparation of accounting records, such as bookkeeping machines and addressing machines.
3. Machines for the handling of correspondence, such as dictating machines, sealing machines, and label-pasting machines.
4. Machines for handling money, such as cash registers, coin-changers, and check protectors.
5. Machines for intercommunication, such as the telegraphic typewriter, and electric alarm systems.

This classification, as well as others, serves a useful purpose, but for the purpose of this discussion no attempt at a comprehensive classification is given. Part II of this text is devoted to bookkeeping and accounting machines. Inasmuch as these machines are versatile, costly, and highly necessary, a detailed discussion, built around certain much used types, is given.

Part III of the text deals with filing and the methods of filing; a necessary equipment without which no office could function.

Duplicating machines are covered in considerable detail in Part IV of the text, since the many uses to which machines of this type may be put are not always appreciated.

Part V of the text deals with some of the machines and devices which have a more or less universal appeal or use, but no attempt has been made to include machines of every kind and class.

REPORTS

Output. The office manager is charged with the responsibility of maintaining proper records to show the individual and sub-departmental output. The first shows the output by worker, the second by groups of workers. In times past, there was little, if any, attempt to measure production of workers or of sub-departments.

Today, however, production in terms of amount of dictation transcribed, matter typed, pieces of material filed, number of letters prepared for mailing, or amount of material addressed, are measured.

Measurement takes place by assigning a unit of work accomplished for each of the specified activities. Transcription may be measured by the line. This is true for material transcribed from shorthand notes, or from records prepared on the dictating machine. Typing may be measured by the line, or better still by the number of strokes on the typewriter. If the latter method is in use, a cyclometer is added to the typing unit which records every stroke made on the machine. Work done on the addressing machine is measured by the number of pieces addressed. Work in the mailing room is also on a piece basis. Due allowance is given, of course, for variations in the kind of work which is done. Obviously, not as many pieces can be mailed if the name and address of the person must be filled in in the mailing room before the letter is folded, placed in the envelope and sealed, as may be done when the first operation is omitted.

All data needed for measurement if it cannot be accumulated automatically is accumulated by the person performing the operation under the direction of a supervisor.

Departmental Expenses and Budget. Costs incurred in the central office should be assembled on the basis of functions or activities performed. These functions may include the following: (1) dictation; (2) typing; calculating and computing; filing; and supervision. In addition to these costs, there will be allocations of charges on the basis of depreciation of machines and equipment, cost of floor space used, indirect costs which include insurance, janitor service, lighting, heating, and others. The total of all these sub-departmental costs gives the total costs for the entire department.

Costs assembled in the manner just described form the basis of the operating report which goes to the executive to whom the office manager is responsible.

Expense accumulations, such as these, form the basis of the office budget. Past accumulated costs serve to indicate the amount of money which must be had to operate the central office. This money must either be allocated to the office manager by the management, or the office manager must make charges to other depart-

ments for work done at prices which will not only enable him to cover all direct costs (such as payroll) but all indirect costs (such as heat and light).

Office Manual. Office manuals are designed to provide employees with information about the *general policies* of the company, and to indicate to employees what their *duties* and *responsibilities* are.

Advantages of office manuals have been set forth by their users as follows:

1. They enable the workers to be trained quicker because they outline specific tasks for each class of work.
2. They prevent shifting and evading of responsibility for the given task.
3. They provide a basis for further development of standards (e.g., methods and performance).
4. They help the beginner to orient himself in his new field of activity.

Some of the disadvantages of office manuals are said to be:

1. The office manual encourages frequent changes in routine, since it asks employees to help in standardization of method and performance. Innovations upset the office force.
2. Office manuals are too costly.
3. Manuals in defining the task restrict the initiative of employees.
4. Manuals insist upon a certain degree of efficiency. Quantitative and qualitative measurement of output is objectionable on the part of the office force.

STORESKEEPING

Storeskeeping Function. The standardization, purchase, and issuance of office supplies is a function which is often neglected. However, when put under the office manager, much can be done to bring about uniformity in the kind, quantity, and quality of supplies needed in the business.

Standardization. Standardization of a supply begins by studying the use to which the supply is to be put. For example, in the case of stationery, the letterheads needed for selling purposes are quite different than those required by executives. The former may require a certain amount of "dressing up" to aid in the selling appeal, whereas the latter, to carry prestige, must be simple and dignified. Paper stock for the former may be inexpensive; for the latter of high grade and hence costly. The letterhead for the former may be printed; for the latter engraved.

Once the thing needed has been examined and its uses defined, specifications may be set up for its purchase. These specifications must be written out in detail and referred to when future orders are to be placed.

Standardization, therefore, not only aids in maintaining a certain orderliness within the office, but it is a distinct benefit in placing purchases, since all quotations may be examined in the light of previous purchases of the same kind and quality.

Distribution of Supplies. If supplies are kept in a central office and issued from there, a stockroom must be established. The requisites of a satisfactory stockroom are: (1) compactness, (2) accessibility, and (3) orderliness.

Compactness and accessibility may be achieved by using specially built bins and shelving for the stockroom. Steel bins and shelving are highly satisfactory because they are portable and can be knocked down if it becomes necessary to move the stockroom. In addition, the shelves are adjustable, thus allowing for the various sized packages which must be stored. In regard to the latter, it may be stated that bulky materials should be placed at the bottom of the bins or shelves, whereas light packages and articles should be placed on the top shelves.

Orderliness in the stockroom will depend primarily upon who keeps it. If everyone is allowed access to it, anything but orderliness is usually the result. The best plan requires that one person be put in charge of the stockroom who will be held responsible for keeping it clean, and also for issuing all supplies.

Supplies are issued upon written requisition only. These requisitions should be signed by the department head of the department requiring them, or by some one in the department who has been given this authority.

Supplies in the stockroom may be controlled by means of a stock record. This record should show at all times the following: (1) the balance of each supply on hand; (2) the date and amount of the last order; (3) the receipt of new supplies into stock; and (4) the issuance of the supply.

The stock record is in effect a perpetual inventory of the supplies on hand, a separate card being kept for each different kind of supply.

Periodically the stock record figures are checked against an actual count of the supplies on hand. Discrepancies must be located, if any, to see whether there is an error in the record or whether supplies are being stolen from the stockroom.

OFFICE EMPLOYEES

Selection of Office Employees. The office manager may recruit his work force from the following sources: (1) unsolicited letters of application; (2) friends of present employees; (3) newspaper advertisements; and (4) employment agencies.

Unsolicited Letters of Application. Unsolicited letters in which the applicant requests work are not thrown in the waste basket as many believe. Letters that indicate that the applicant has the training, personal qualifications, and possible experience in this field are given careful consideration. Many times writers of these letters are requested to call for a personal interview; in other cases acknowledgment of the letter is made and it is filed for future reference when the need for another employee arises.

Friends of Present Employees. A further source of contacting desirable help is through the present employees of the company. Some office managers are fearful of employing friends of employees because they believe that too many workers of such a character lead to "company politics." That is, these workers tend to form groups on the basis of their friendship solely for the purpose of furthering their own interest in the way of securing more desirable positions and higher wages. However, if the employees recommend friends who are *fully qualified* for the position, and the office manager is an executive capable of strong leadership he will be able to cope with such situations should they arise.

Newspaper Advertisements. Want ads placed in newspapers usually bring a flood of applications from all types of workers. Many of the applications are from qualified persons; but unless rigid specifications are laid down in the advertisement, experience has proved that most applications come from people just wanting a job—any job. When this is the case, the office manager has the task of culling out the applicants that he feels are undesirable. The only way he can do this without interviews (which are impossible except for only a very few applicants) is to judge the applicant on the basis of the

letter written. If it is set up well mechanically, and the English is good, he may assume that the worker is qualified. Consequently, proficient letter writers may get an opportunity to sell themselves in the personal interview that those who were unable to turn out a good letter do not receive. Obviously, this is a haphazard method of selection, since those who are not so adept at letter writing may be very good office workers on *certain types of work*.

Employment Agencies. The office manager may obtain his help from employment agencies. This is frequently the case in large cities. Inasmuch as the agencies are acquainted with the kind of work to be done, and know something about the general policies of the company wanting the help (to say nothing of the personal likes and dislikes of the department head of the business) they are able to recommend applicants who are suitable. This, of course, requires that they weed out the desirable applicants from the undesirable before sending them for personal interviews. This procedure conserves the time and energy of the office manager.

Training of Office Employees. There are three main training programs which are offered to office workers by many companies. The first of these is concerned with the training of the employees for the specific tasks to be performed. This kind of training calls for instruction as to the nature of the work, the way to do it, and, perhaps, something about the general policies of the company as may be related to the work.

The second type of training is that which is given to prepare the employee for the job immediately ahead. It is a sort of "under-study" training. Its object is to make the person being trained sufficiently proficient in the other line of work so that he may take over the duties of the new position in case the one who is now performing such task is promoted, transferred, or resigns.

The third type of training program is that offered to minor executives and supervisors within the department. Its object is to prepare those taking the training for more responsible positions. It should not be confused with the second type of training which is a preparation for tasks of a routine nature rather than for executive positions.

Training of this character often includes formal course work in such branches of learning as mathematics, accounting, actuarial

science, business English, life insurance, and many others. The instruction may be by an important executive within the company or by instructors brought in from different colleges and universities.

Payment of Office Employees. Payment of office workers calls first for the consideration of the following fundamental principles which are necessary to successful salary administration of any sort, namely: (1) a limit of pay must be set below which compensation would be unfair and unjust; (2) a limit of pay must be set above which compensation would be too costly for the company; (3) pay must be related to the different grades of work to be performed; and (4) pay for the same tasks to be done throughout the company must be at the same rate.

Further comment on these cardinal principles of salary administration is unnecessary. Among good office administrators they are axiomatic.

Before rates of pay can be inaugurated on either a day basis, or in accordance with some plan which pays the worker on the basis of output (piece rate plan or bonus plan), it is necessary to determine: (1) what other firms are paying for the same kind of work; (2) the difficulty or grade of work to be performed; (3) the highest and lowest rates which might be paid for the performance of a given task; and (4) the effect of the adoption of a certain standard of pay upon the office budget and general budget of the company.

A rate of pay based upon what others are paying is sometimes spoken of as the "going rate." It is a rate which is generally known and which may have to be paid in order to get any help at all. Occasionally a firm will pay more than the going rate on the theory that it will draw a better class of workers. On the other hand, a firm may pay less than the going rate if there is a dearth of office workers, or if it offers the employees other benefits which it feels offset the reduction in the rate. These may take the form of educational training, pensions, unemployment insurance, and others.

Little need be said about rates of pay as related to the grade of work to be performed. It is axiomatic that work which is of a purely routine nature and which is essentially physical in character cannot be paid for at the same rate as work which demands close attention, quickness of movement, accuracy, and carries with it a certain amount of responsibility.

The spread between the lowest and highest rates of pay for the same kind of task should be fairly close together. A minimum rate which is too low and a maximum rate which is too high often cause trouble among the work force. Those being paid the low rate often charge those receiving the high rate as being the recipients of favors from the office manager. Internal dissension thus caused is not conducive to departmental efficiency. When the minimum and maximum rates are fairly close together, charges of favoritism or injustice are hard to substantiate. There should be provision, however, for several step increases between the minimum and maximum rates. These increases are given for length of service with the company, or for meritorious work.

When rates of pay are being established, it is essential that the office manager make sure that the total payroll will not exceed the amount which has been budgeted to him by the management. Or, if he is charging other departments for services rendered him, he must make sure that the amount budgeted for payroll does not exceed the amount collected and which can be allocated for this purpose. Payroll is only a part of the total expense of conducting the general office and care must be taken to provide for other overhead expenses.

BUILDING AND BUILDING FACILITIES

Need for Entire Building. Some business houses conduct practically all of their transactions in offices. Illustration of these are: insurance companies, correspondence schools, book publishers, magazine publishers, trust companies, loan companies, brokers, etc. In instances such as these, it is often desirable that the concern own its own building. Consequently, some attention must be given to the size and shape of the building inasmuch as it is to house offices only.

Design of Building. An office building should be rectangular in shape. Such buildings are easy to adapt to new floor layouts, are easy to light, and lastly and perhaps most important of all—easy to expand. New wings may be added at either end without difficulty, and they may be either a continuation of the main structure or they may be placed at right angles. Office buildings should have foundations which will permit more stories to be added inasmuch as past experience has proved that new stories are often necessary.

Lighting within the Office. The best lighting arrangement pos-

sible is required for efficient performance of office functions. This is because the workers are required to use their eyes under a set of conditions which soon makes for eye strain if the light happens to be poor. On the other hand, too strong light is almost as bad as light that is dim. It is just as bad to "blind" workers with glare as it is with darkness.

To establish the amount of foot candles necessary for each desk, meter readings should be taken. Obviously, the same amount of artificial light will not be necessary for those who use desks near the windows as will be needed for those sitting at desks within interior bays.

Types of Lighting Fixtures. There are three types of lighting fixtures used with artificial lighting, namely: (1) the direct; (2) the semi-indirect; and (3) the indirect.

The direct fixture calls for a reflector which diffuses all the light down to the desk. This type of fixture is seldom considered satisfactory because the reflected light causes glare, and it also produces shadows on the desk. Most bookkeepers, for example, are so disturbed by these shadows that their output is reduced.

The semi-indirect fixture requires a partially transparent or a frosted globe that is open at the top. Because of this arrangement a part of the light is reflected to the ceiling before falling upon the desk. Some of it comes, however, directly downward through the partly transparent portion of the globe or through the frosted globe. This type of fixture eliminates glare, but it does not do away with the shadows.

The total indirect fixture has an opaque globe open at the top. The light therein reflects the rays to the ceiling from where they are diffused to the desk. This method of lighting eliminates both glare and shadows, but larger light bulbs are required to provide the proper candle foot intensity than are needed with the other methods.

Ventilation. In many of the new and modern office buildings air-conditioning has solved the ventilating problem. These units deliver the required amount of fresh air at temperatures which are comfortable in both winter and summer.

Where air-conditioning is not as yet installed, attention must be given to the methods of supplying plenty of fresh air. Much sickness is due to faulty ventilation, especially drafts. Window boards which

cause the air to flow toward the ceiling when the windows are opened are useful, as are also ventilating fans which are installed in the upper part of the windows.

Facilities for Employees. Some buildings are equipped with lockers which are used to store the personal effects of employees. In others cloak rooms are maintained on each floor. Unless lockers are built-in much floor space is lost and this is often cited as an argument against them. On the other hand, the cost of employing a check girl in each cloak room is an objection to the other method of providing storage facilities.

Rest rooms and drinking fountains must be provided on each floor of the building. At the present time, electrically operated coolers are replacing the old type of drinking fountain. These are economical to operate and workers actually get a refreshing drink.

Maintenance of Building. The superintendent of the building reports in many instances to the office manager. Therefore, the latter must know something about building maintenance. In addition to the proper maintenance of lighting fixtures, ventilators, and drinking fountains, attention must be given to washing windows, woodwork, and floors. Periodic polishing or oiling of the latter are required to preserve whatever floor base may be in use.

PART II

ACCOUNTING MACHINES

Accounting Machines Defined. An accounting machine is any mechanical device used for the mechanical computation, distribution, and recording of numerical data.

Specifically, and for the purposes of this exposition accounting machines are machines which are equipped with descriptive or symbol printing apparatus, and with mechanisms for accumulating debits and credits in more than one counter and automatically determining the balance between them. This specific description of accounting machines eliminates listing and non-listing adding machines, and typewriters not equipped to accumulate debits and credits and to compute automatically resulting balances. These machines are described later on in the text.

Number of Accounting Machines in Use. Exact data on the number of accounting machines in use is not to be had. The use of them is so important and so extensive that some attempt to arrive at an estimated number is necessary in order that some concept regarding the displacement of hand records may be formed.

Statistics furnished by the office equipment industry in the United States show that approximately one-third of the total annual production of these machines is sold abroad. The average annual exports of billing and bookkeeping machines for the period 1926 to 1930 was 10,545 units. Exports of punched card equipment totaled 1,439 units for the same period.

On the basis of these statistics, it appears that the number of billing and bookkeeping machines entering domestic use during the period 1926 to 1930 averaged 21,090 yearly. Punched card equipment going into domestic use for the same period totaled approximately 2,876 units.

In 1934, 3,543 billing and bookkeeping machines were exported along with 1,541 card punching, sorting, and tabulating units. On the basis of these statistics, it appears that domestic purchases of the same equipment for 1934 totaled 7,086 and 3,092 units, respectively.

Since 1935 to the present time, 1938, manufacturers have been reporting increased sales for each succeeding year.

Inasmuch as the average life of equipment of this nature is estimated to be ten years, calculations placing the total number of accounting machines in use at 200,000 units are thought to be conservative. These figures are, of course, for the United States.

Types of Accounting Machines. Accounting machines may be classified according to the type of base upon which they are built, namely: (1) those with a typewriter base; (2) those with an adding machine base; (3) those with a cash register base; and (4) punched card equipment which has distinctive designs for each of the various pieces of equipment necessary.

Machine with a Typewriter Base. This type of accounting machine consists primarily of a typewriter to which has been added mechanical devices called accumulators or registers, and devices called cross-footers or cross-computers. The accumulators either add or subtract amounts written when the carriage of the machine brings the printing point within the scope of the register. The cross-computer adds and subtracts, one or several times, as the carriage of the machine is moved from right to left. Further explanation of these devices will be given in a subsequent section.

Typewriter machines may be sub-classified into two other main groups as follows: (1) for the automatic printing of balances and totals; and (2) for the copying of totals from the registers.

(1) *Machines Printing Balances and Totals.* These machines print in one or more places the balance or the total of either debits or credits, or both, which have been accumulated in the registers. This may be accomplished by merely depressing a single key on the machine. The number of figures available on machines of this type are either 10 or 12, thus permitting the recording of monetary units which are picked up and printed by the accumulators in any amount up to 100 billion.

Other machines of the same general type have, in addition to the typewriter keyboard, an auxiliary keyboard with several vertical banks of numbers running from 1 to 9. Ciphers are printed automatically as the need for them arises, thus eliminating depression of such keys.

(2) *Machines Calling for the Copying of Totals.* Totals and

balances are accumulated in the registers of these machines but there is no mechanism for printing them. To clear the accumulators, it is necessary to bring the carriage into the proper position for each accumulator, copy the amounts, and then depress a key to bring the dial of the register back to zero. Machines of this type have 10- or 12-figure keyboards.

Machines with an Adding Machine Base and Symbol Keys.

Machines of this general type consist of a standard adding machine with a 10- or 12-figure keyboard. Or in lieu of the 10- or 12-figure keyboard there may be a multi-figure keyboard, to which is added special keys for printing short words, such as CASH. Machines of this type automatically print totals and balances upon depressing a single key, eliminating copying from dials.

Machine with a Cash Register Base and Symbol Keys. The cash register forms the base of this type of accounting machine, and it may be had with as many as 29 different registers. The keyboard is multi-figure. The amount to be registered is determined by depressing the number keys, and the registers into which the amount is to be recorded is determined by depressing the desired register key. Totals of each register, and a grand total of all registers used may be had by depressing a selected number of keys.

Punched Card Equipment. Data are recorded on cards which have a range of 45 to 80 vertical columns of numbers running from 1 to 10, the latter indicated by a cipher. These digits are expressed by punched holes. This is done by means of electrically-driven *key punches*. Information in the cards is, therefore, in terms of punched holes rather than in terms of written or printed items.

The accuracy of punching is determined by checking the cards against the original media by running them through another punch called the *verifying key punch*, or by running them through an *interpreter* which prints the data punched at the top of the card. Following checking for accuracy, cards are sorted into any desired classification by means of electrically-operated *sorters*. These sorters select the cards in each class by mechanically- or electrically-driven impulses which are transmitted through the punched holes.

Sorted cards are tabulated on *tabulating machines*. The latter reproduce, list, and accumulate sub-totals and grand totals of the data punched in the cards. Tabulators are available which print

either numerical or alphabetical information, previously transcribed, into the card by means of punched holes by the key punch. Tabulators have accumulators or registers which print sub-totals, balances, and grand totals, whenever the classification on the card changes or when so designated by especially punched cards.

Advantages of Accounting Machines. *Speed.* Through the use of accounting machines, business transactions may be recorded faster than can be done by hand. The automatic computations of totals and balances enables important data to be rapidly and accurately summarized. Furthermore, more than one record can be made at one time. For example, it is possible to post charges to the customer's ledger account, enter the same charges on the customer's statement, and record the transaction in the sales journal, with distribution as to kind of sale, place of sale, and by whom the sale was made—all in one operation.

Accuracy. A high degree of accuracy usually can be achieved at less cost by means of machines which record and classify the data required than can be attained by hand methods. This is true, of course, only when the machines are in good working order, because at such times it is mechanically impossible for the machines to make an error. However, this does not eliminate mistakes which are due to the human factor. Nevertheless, it is much easier to check work turned out on a machine for mistakes made by the operator than it is when the same work is done by hand. Furthermore, the introduction of machines necessitates a more carefully thought out routine for handling business transactions and compiling records, and this in turn makes it easier to locate errors due to the inability of the operator.

Internal Check. Accounting machines facilitate methods of internal check as provided by the accounting system in use. The performance of departments or of individuals may be checked easily because it is possible to distribute amounts in multi-register account machines and accumulate the figures required for this purpose. To attempt to do this by hand may be so laborious and so costly that it is left undone.

Devices on accounting machines which assist in the internal check are the automatic balances and proof figures which are accumulated in the machine. The totals of these cannot be cleared on

some machines without the insertion of a special key to which the operator of the machine has no access. It is, therefore, impossible under these conditions for him to cover up defalcations by juggling or manipulating machine balances or totals.

Volume. Practically all the accounting machines are capable of handling a large volume of work as compared to hand methods. The punch card equipment, for example, is especially adaptable to large volume. Computation and distribution of the numerous daily stock transactions on the New York Stock Exchange are by means of punched card equipment.

APPLICATION OF ACCOUNTING MACHINE WITH TYPEWRITER BASE

Accounts Receivable. The handling of accounts receivable in a department store offers a satisfactory example of the use to which an accounting machine with a typewriter base, Illustrations 11 and 12, may be put. This is so because nearly all department stores have found it necessary to meet the demands of their customers for an itemized statement at the end of each month, and a machine with a typewriter unit incorporated therein is required to effect this itemization.

Furthermore, an accounting machine with a typewriter base has registers which accumulate totals of all charges, as well as all credits posted. These totals are needed for proof purposes, as will be explained later. In addition to registers which accumulate totals and as a complementary part of the accounting mechanism, a machine suitable for handling accounts receivable must have a device which will automatically compute the customer's new balances each time a charge or credit is entered on the statement and on the ledger sheet, and which can be printed in the Balance column by depressing the proper key. The accounting machine with the typewriter base has this type of mechanism, which is called a *cross-computer*.

To avoid misunderstanding, perhaps it should also be stated at this point that accounting machines with adding machine bases and symbol keys used for printing descriptions of merchandise bought, likewise have registers that total all charges and all credits made to customer's accounts, and which cross-compute to provide new balances. But they are limited to the description of the purchase of



Illustration 11. Accounting machine with a typewriter base. Forms are fed around the cylinder just as in the operation of an ordinary typewriter. Note the dials at the front of the machine.

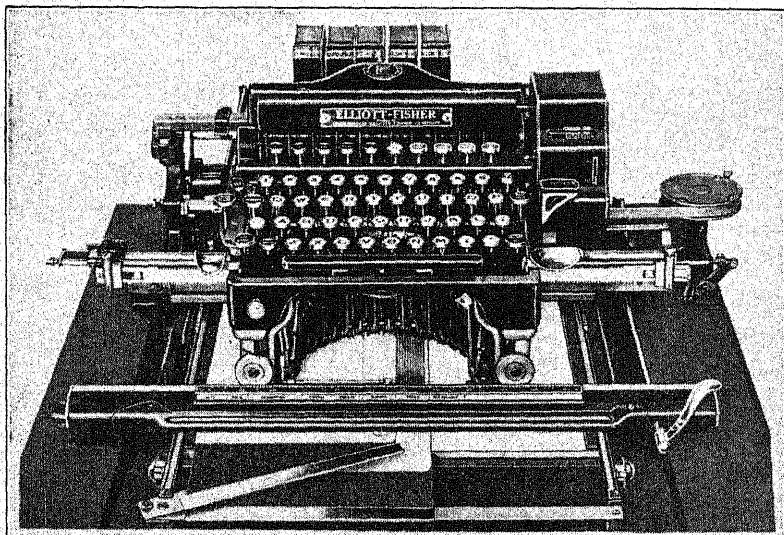


Illustration 12. Accounting machine with a typewriter base. Forms are fed to the printing point on a flat base. Observe the totalizers or registers at the back of the machine.

merchandise, since only a limited number of symbol keys can be incorporated in the machine. Usually the symbol keys which are incorporated in the machine cover only the most common purchases. That is, purchases which can be described in words of one syllable. For example, words such as SHIRT, SHOES, and COAT, can be printed by depressing a single key. Machines which have a full type-writer keyboard are not, obviously, limited in this manner, since all that is necessary is to type the required description.

STATEMENT OF ACCOUNT

CONSTANCE SMITH
8080 MICHIGAN BOULEVARD
CHICAGO, ILLINOIS

OLD BALANCE	DATE	DESCRIPTION	CHARGES	CREDITS	NEW BALANCE
		BALANCE FROM PREVIOUS STATEMENT			85.50
85.50	May 1, 19—	GLOVES	3.00		
		HAT	7.50		
		TAX	.32		96.32
96.32	May 1, 19—	CASH		50.00	46.32
46.32	May 5, 19—	HOSE	1.90		
		GROCERIES	4.40		
		I E S LAMP	15.00		
		TAX	.64		68.26
68.26	May 10, 19—	TIE	1.50		
		GLADSTONE BAG	27.00		
		TAX	.86		97.62

Illustration 13. Customer's statement showing how charges or credits are either added to or deducted from old balance to obtain new balance.

Methods of Posting. There are two methods of posting charges and credits to customer's accounts, namely: (1) the unit method, and (2) the dual method. The unit method will be explained first.

(1) **The Unit Method of Posting.** The first form used under the unit plan of posting to customer's accounts is the Statement of Account, as shown in Illustration 13. On the statement of Constance Smith for the month of May appears in the Balance column the amount of \$85.50. This represents the balance due on account for the month of April, and the figure was obtained from the statement previously rendered. To this balance is added the charge:

May 1	GLOVES	3.00
	HAT	7.50
	TAX	.32

This charge is effected by setting up in the accounting machine the old balance of \$85.50. Upon depressing the motor bar, the amount is printed in the Previous Balance column along with the date of entering all in a single operation. The machine now moves automatically or may be tabulated into the proper columnar position for entering the new charges. In the Description column is typed the name of the merchandise purchased, and in the Charges column is printed the sale price of each article bought. To the amount of the sale is added a sales tax, if any, usually identified by the depression of a special key on the keyboard, thus printing the word TAX in a single stroke.

The new balance of 96.32 is now printed in the Balance column (after bringing the machine into the proper position by means of the tabulator key), through the depression of the motor bar or special *balance key*.

To record the credit of \$50.00 received on account, and on the same date as the new charge of \$10.82 was recorded, the old balance of \$96.32 is set up in the machine, recorded in the Previous Balance column, the nature of the transaction described, and the amount of cash received printed in the Credits column. The credit is automatically deducted in the cross-computer, thus causing the machine to print the new balance of \$46.32 in the Balance column upon depressing the proper key.

Charges incurred on May 5 and 10 are entered by manipulating the machine in the same manner, as previously described.

The Ledger Sheet. The data shown on the Statement of Account is duplicated on the ledger sheet or page, Illustration 14, by means of a carbon. The ledger sheet constitutes the permanent record of the store.

The Proof Journal. The proof journal, Illustration 15, gives a cumulative record of the day's postings, or a record of a particular run of sales tickets which may be posted to the accounts receivable at any time during the day as may be desired. This record shows also the total of all charges made to accounts receivable for the day;

OFFICE MANAGEMENT

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ACCOUNTS RECEIVABLE LEDGER

Name CONSTANCE SMITH

Credit Limit 150

Address 8080 MICHIGAN BOULEVARD

Account No. 734

OLD BALANCE	DATE	DESCRIPTION	CHARGES		CREDITS	NEW BALANCE
85.50	May 1, 19—	GLOVES	3.00			85.50
		HAT	7.50			
		TAX	.32			96.32
96.32	May 1, 19—	CASH			50.00	46.32
46.32	May 1, 19—	HOSE	1.90			
		GROCERIES	4.40			
		I E S LAMP	15.00			
		TAX	.64			68.26
68.26	May 10, 19—	TIE	1.50			
		GLADSTONE BAG	27.00			
		TAX	.86			97.62

Illustration 14. Customer's ledger card showing credit limit, account number, and duplication of data on statement of account.

PROOF JOURNAL

Date May 1, 19—

OLD BALANCE	DATE	DESCRIPTION	CHARGES	CREDITS	NEW BALANCE	PROOF PICK-UP
85.50	May 1, 19—	GLOVES	3.00			
		HAT	7.50			
		TAX	.32		96.32	85.50
96.32	May 1, 19—	CASH		50.00	46.32	96.32
10.00	May 1, 19—	DRESS	17.50			
		TAX	.53		28.03	10.00
53.25	May 1, 19—	CASH		53.25	00.00	53.25
21.75	May 1, 19—	END TABLE	7.50			
		RUG	18.00			
		VASE	3.00			
		TAX	.86		51.11	21.75
			58.21	103.25	221.78	266.82
						0

Illustration 15. Printed on the proof journal are the totals accumulated in the charge and credit registers. The cross-computer gives the total which is printed for the new balance column.

obtained of course, by accumulating these charges in the register used for these particular items. This total is printed when postings to all accounts have been completed, simply by depressing the proper key. In a like manner, the total of all credits to customer's accounts are accumulated in a second register, the total of which is entered on the Proof Journal at the end of the posting period by a depression of the proper key.

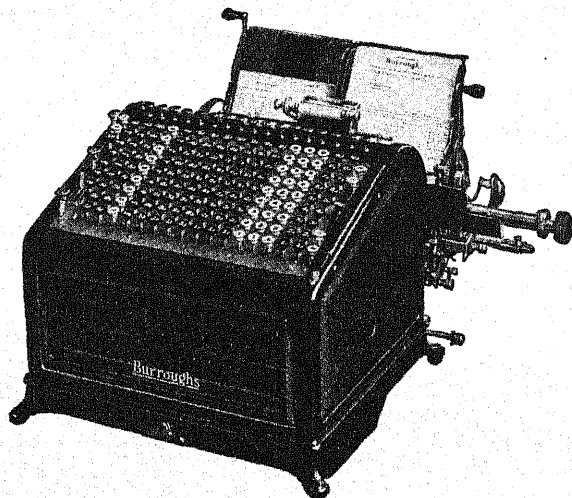


Illustration 16. Accounting machine with an adding machine base. This machine prints numerical data as contrasted with machine with the typewriter base which prints both numerical and alphabetical data.

The first entry on the Proof Journal is a duplicate of the new charge to the account of Constance Smith as of May 1, \$10.82. The second entry shows her payment of \$50 on account. The third entry shows the purchase made by another customer on the same day, amounting to \$28.03. The fourth entry shows a payment in full of account by a third customer, \$53.25, and the last entry of \$29.36 is an increase to the old balance of a fourth customer.

The total charges to all customers' accounts for the day, May 1, total 58.21; the total credits \$103.25.

(2) **The Dual Method of Posting.** Under the dual plan of posting from sales tickets to accounts receivable, the first operation consists of entering either the charge or credit on the ledger page of the customer. This is done as a separate operation by means of an accounting machine with an *adding machine base*, Illustration 16.

Like the accounting machine with a typewriter base, this machine has registers which accumulate totals of all charges and of all credits which are posted to the various accounts, and it has a cross-computer to compute new balances. This machine prints only numerical data; description of the merchandise purchased does not appear on the ledger sheet.

The customer's statement under this plan is made in another posting operation and by means of an accounting machine having a typewriter base, since, as already stated, the merchandise purchased must be itemized to meet the wishes of the customers. The name "dual plan" arises from the fact that two operations are necessary to get the items posted to both the statement and ledger page. The original medium from which the data is transcribed (a sales slip or cash credit memorandum, for example) is used for both posting operations although two different operators enter the amounts on the statement and ledger forms.

Variations in Posting. There are three variations in posting under the dual plan. Under the first method, the total of each sales check or credit memorandum is recorded on the customer's ledger sheet daily. That is, if the customer buys in three separate departments with the result that three sales tickets are written, there would be three entries on the ledger page—one for the total amount purchased in each department.

Under the second method, the sales tickets for the three departments in which purchases were made are assembled in the accounting department. There a total for the three is computed. This total is then entered on the ledger sheet. Obviously, this method saves two postings as compared with the first method, and requires only one line of writing as against three for the first method.

Under the third variation of posting, sales slips of a customer are accumulated for a period of a month, the total figured, and this amount entered on the ledger page. Naturally, this results in a further saving in entries on the ledger page for the period under review, and it brings about a corresponding saving in time and space ordinarily required to write the charges on the ledger page.

To offset the advantage gained by saving time and space in entering items on the ledger page, is the additional work required to compute totals which must be done either under methods one

or three. The work of adding and totaling falls either to the machine operator or to a clerk employed especially for this purpose. Furthermore, method three may cause a peak load of accounting and machine work at the close of the month which, in general, is undesirable.

Attention is directed to the fact that regardless as to which variation of posting to the ledger is used under the dual plan, there is

ACCOUNTS RECEIVABLE LEDGER

Name CONSTANCE SMITH

Credit Limit 150

Address 8080 MICHIGAN BOULEVARD

Account No. 734

OLD BALANCE	DATE	CHARGES	CREDITS	NEW BALANCE
85.50	May 1, 19—	3.00		85.50
		.09		88.59
88.59	May 1, 19—	7.50		96.32
		.23		96.32
96.32	May 1, 19—		50.00	46.32
46.32	May 1, 19—	1.90		48.28
		.06		48.28
48.28	May 1, 19—	4.40		52.81
		.13		52.81
52.81	May 1, 19—	15.00		68.26
		.45		68.26

Illustration 17. Skeletonized ledger showing entries as made upon receipt of media from various departments in which purchases were made.

always the necessity for posting to customers' statements by means of an accounting machine with a typewriter base which can be used to describe the purchases made.

Postings to customers' statements are made daily under the dual plan just as they are under the unit plan.

The ledger page of Constance Smith as it appears on May 1, 19— when the first method of posting is in effect is shown in Illustration 17. Since each of the items purchased was in a different department, five lines of writing are necessary. The amount of the tax is shown separately for each article.

ACCOUNTS RECEIVABLE LEDGER

Name CONSTANCE SMITH
Address 8080 MICHIGAN BOULEVARD

Credit Limit 150
Account No. 734

OLD BALANCE	DATE	CHARGES		CREDITS	NEW BALANCE
					85.50
85.50	May 1, 19—			50.00	35.50
35.50	May 1, 19—	31.80 .96			68.26

Illustration 18. Skeletonized ledger showing entry of all charges made by combining amounts on media from all departments for one day.

Illustration 18 shows the ledger written up under the second method of posting, as of May 1, 19—. In this case total charges for each day are entered, with a single amount of tax for all. Only one line of writing is necessary to record the charges.

ACCOUNTS RECEIVABLE LEDGER

Name CONSTANCE SMITH
Address 8080 MICHIGAN BOULEVARD

Credit Limit 150
Account No. 734

OLD BALANCE	DATE	CHARGES		CREDITS	NEW BALANCE
					85.50
85.50	May 1, 19—			50.00	35.50
35.50	May 1, 19—	60.30 1.81			97.61

Illustration 19. Skeletonized ledger showing entry for all charges made by combining amounts on media from all departments for one month.

In Illustration 19, posting under the third method, only one line of writing is necessary since the purchases for the month have been added together and posted in a single sum. The entry for the tax does not require a complete line of writing.

It should be added at this point that the Proof Journal is prepared along with the customer's statement under the dual plan, the Journal serving as a method of proof of posting in this method just as it does under the unit plan of posting.

Methods of Proof. One of the principal reasons for employing accounting machines over and against hand methods is to obtain increased accuracy. Accuracy, however, is largely dependent upon the methods used to prove accuracy.

To be assured that postings to the accounts are absolutely correct, it is necessary that: (1) all postings have been made to the right account; (2) that the old balance of each account to which a posting is made is picked up correctly; (3) that the correct amount of the charge or credit is entered in the account; and (4) that the new balance is properly printed in the Balance column.

Proof of Posting to Right Account. Proof that postings have been made to the right accounts may be ascertained by having a control clerk make a run of the old balances of the accounts to be affected by charge and credit entries. The control clerk does this at the same time that he "stuffs" the ledger. A ledger is "stuffed" when sales tickets and credit memoranda are placed immediately in front of the accounts which are to be affected by the data thereon. Inasmuch as the sales ticket or other memorandum is allowed to extend beyond the edge of the ledger sheet in each case, the place of posting is marked for the operator.

When the posting is completed, the total of the Proof Pick Up (sum of old balances) is obtained by depressing the proper key. This figure appears on the Proof Journal as may be seen in Illustration 15. The total obtained should agree with the pre-run total of old balances obtained by the control clerk in a separate listing of the old balances. When it does, this indicates that postings were made to the proper accounts.

Proof of Old Balance Pick-Up. Proof that the old balances have been picked up correctly in posting to customer's accounts is of considerable importance inasmuch as a failure to so do will give the wrong new balance after either charges or credits are added to or subtracted from the old balance. Consequently, several methods have been devised to insure the accuracy of picking up old balances.

That old balances have been picked up correctly is proved under the dual plan by accumulating these figures in registers on both statement and ledger machines. If the totals in the register of the machine used for preparing the statement agree with totals in register used for posting the ledger, old balances have been picked up correctly.

If, however, the unit plan of posting is in operation, proof of correct pick-up of old balances may be obtained by making an adding machine run off the old balances of the accounts to which postings are to be made. As the posting takes place, the accumulated figures will be shown in the register used for this purpose. At the end of the run the total of all old balances will have been accumulated, and if this total agrees with the total obtained on the pre-run, old balances have been picked up correctly.

A third method of proving the correctness of old balance pick-up, as long as the unit plan of posting is in operation, is by making use of two cross-computers on the accounting machine. These cross-computers are extra equipment and they do not take the place of or eliminate the need for registers which accumulate charges and credits made to the various accounts. The procedure required under this method of proof is as follows:

1. The old balance, say \$50, is picked up, entered in the machine and printed in the Old Balance column of the Statement of Account. At the same time this amount is also automatically added in one of the cross-computing registers. This register may be designated for purposes of illustration as *Register B*.
2. The date and description of the charge are entered in the appropriate columns.
3. The operator enters the amount of charge (or credit) as indicated on the original medium—the sales ticket—in the machine, say \$20. This amount is printed in the charge column of the Statement of Account. At the same time it is added in *Register A*, an adding register; in *Register B*, a cross-computer; and in *Register C*, another cross-computer.
4. The effect of entering a charge of \$20 is shown in the machine dials thus:

Register A
20.00

Register B
70.00

Register C
20.00

5. The operator reads the new balance of \$70 in *Register B*, enters it in the machine, and records it in the Balance column on the Statement of Account. If the new balance is correctly recorded in the Balance column, the result is shown in the dials of the registers thus:

Register A
20.00

Register B
00.00

Register C
9,950.00

Recording the new balance of \$70 automatically subtracts it out of *Register B*, leaving the dial clear; and at the same time subtracts it from *Register C*. This brings *Register B* back to zero, and produces in *Register C* the complement of the old balance of \$50, or \$9,950.

6. The operator picks up the old balance a second time, and records

it in the Proof Pick-Up column of the Proof Journal. The effect of this operation is to add \$50 back in *Register C*, bringing the dial to zero as shown below:

Register A	Register B	Register C
20.00	00.00	0,000.00

7. The final operation consists of depressing the Star Proof Key. If all dials are clear, with the exception, of course, of those in which charges and credits have been accumulated, the depression of this key causes a star, cipher, or other symbol to be printed in the Proof Pick-Up column of the Proof Journal. If the key locks instead of releasing the mechanism to print the symbols, this indicates that the old balance was not picked up correctly in one of the two instances mentioned above, and hence all dials of the cross-computers are not clear.

Proof of Correct Pick-Up of Charges and Credits. When the dual plan of posting is in operation, proof that charges or credits have been picked up correctly from the original media may be had by comparing the total of the registers accumulating charges and credits on one of the machines with the difference between old and new balances accumulated on the other machine. For example, assume that the register accumulating charges on the machine with the typewriter base, used to prepare the statements, shows charges of \$5 and \$10 on Account No. 1, and Account No. 2, respectively, making a total of \$15. The registers on the machine with the adding machine base used for the ledger work show the following accumulations:

Old Balance	Charges	New Balance
25.00	5.00	30.00
30.00	10.00	40.00

The difference between the total Old Balance and the total New Balance is \$15. This agrees with the total posted to the two customers' accounts as indicated by the register accumulating charges on the statement machine.

If there are credits involved as well as charges, then the difference of the totals of the registers showing charges and credits on the statement machine will equal the difference (if all work is correctly done) between old and new balances on the ledger machine. For example, assume that Customer No. 2 pays \$10 on account. The net charge for the postings to the two accounts is, therefore, \$5, found

by subtracting the total credit of \$10 from the total charges of \$15. On the ledger machine the registers show:

Old Balance	Charges	Credits	Balance
25.00	5.00		30.00
30.00	10.00	10.00	30.00

The difference between the old and new balances is \$5. This is the same difference as exists when the total charges and total credits are accumulated and then subtracted on the statement machine.

Another method of proving that charges and credits have been picked up correctly under the dual plan of posting is to make an adding machine run for all charges and all credits shown on the original media, before posting is begun. After the items have been posted to the statements and the amounts totaled in the charge and credit registers, these are compared with the totals obtained by the pre-run. If there is agreement, charges and credits have been picked up correctly and hence posted correctly.

Proof of Correct Recording of New Balance. If the statement machine has two cross-computers, the new balance is recorded automatically by the depression of a single key. If all other posting operations have been made correctly, it must follow that the new balance is correct. If, however, only one cross-computer is in use, the operator must read the new balance shown in its dial, enter this in the machine, and then depress a key to print it. Since there is considerable probability that the operator will err in this routine, other methods of proof are necessary to check the accuracy of the pick-up of the new balance.

Under the dual plan, proof that the new balances have been correctly entered may be obtained by simply comparing the new balances shown in the register on the statement machine with the old balances plus charges (and minus credits) on the ledger machine. If these totals are in agreement, the correctness of the new balances is proved.

Attention is directed to the fact that when the dual plan is in operation it is unnecessary to have registers accumulating old balances and new balances on both machines. Under the usual set-up, registers for this purpose are found on the statement machine only.

Use of Star Key. That the new balance has been properly recorded may be proved through the use of a star key as previously stated. This holds true for either statement or ledger machine. If the new balance is printed correctly, and the cross-computer dial is clear, the star key may be depressed with the result that a star or other symbol is printed after the new balance. If the new balance is not correctly printed, the cross-computer prevents the depression of the star proof key and calls the operator's attention to the fact that there is an error.

Under the unit plan of posting, it is possible to prove the correctness of the new balances by adding another register on the machine which will accumulate the total of the new balances. The amount in this register at the end of the run should equal a total of the old balances, plus charges and minus credits.

Advantages of Unit Plan. *Less Costly.* Everything considered it is less costly to handle accounts receivable by the unit plan than it is to handle them by the dual plan. This is because there is less invested in accounting machines since fewer are needed, and consequently less is paid in the way of salaries since fewer operators will be required. In addition to these economies there is a saving in the amount of floor space required which must be paid for at so much per square foot per month. Then there is a further saving in miscellaneous expenses including cost of forms, stationery, filing equipment, and others.

Less Work. There is less work to be done under the unit plan because statement and ledger sheet must agree, inasmuch as the latter is a duplication of the first. Aside from the fact that there is a saving in one operation, there is also less work resulting from checking. Comparison of statement with ledger page at the end of a month, as is necessary under the dual plan to catch mistakes before the statements are mailed to customers, is eliminated with the unit plan. Of course, it should be added in all fairness that statements and ledger sheet may check out one hundred per cent under the dual plan. Yet, at the same time, the fact that the entries are made by different operators under different runs increases the possibility of errors.

Aid to Credit Department. When the unit plan is in use, both statement and ledger show the same balance at all times. Under the

dual plan this may or may not be true, depending upon what variation of posting is in use. In any case, however, the credit department must look at both statement and ledger page when the dual plan is in operation to verify the exact status of the customer's account. Otherwise, one amount may be found on the statement and another on the ledger due to failure to keep both in agreement at all times. Before the credit department can extend or refuse credit, the amounts must be brought into agreement, or the most recent posting on either form may be assumed to be correct.

Disadvantages of Unit Plan. *Illegible Ledger Page.* Since the ledger page results from a duplication of the statement by means of a carbon, the former often becomes, in the process of long and continued use, smudged and illegible—obviously a disadvantage to both the accounting and the credit departments.

Itemized Ledgers. Itemized ledgers are in ill favor with the credit department. This is because detail is of little value to the credit manager. When he inspects an account, he does so for the purpose of ascertaining a comprehensive view of the status of the customer's account. He may wish to know, for example, the total purchases by the customer up to the current date, as compared to those made in a like period the preceding month. He may also wish to know total payments made on account up to the current date. Unnecessary detail on the ledger sheet deters rapid inspection of the account. The seriousness of this delay becomes increasingly important when one considers the fact that small department stores have 10,000 to 25,000 active accounts receivable; large department stores from 50,000 to 150,000.

Furthermore, itemized ledgers require twice as many lines of writing on the average, as do skeletonized ledgers which may be prepared under the dual plan. This in itself means approximately twice the cost for forms, binders, and storage cabinets.

Inaccessibility of Records. Under the unit plan records are not as accessible as they are at all times under the dual plan. Customer's statements and ledger sheets are kept in the same file, and they cannot be available to both accounting department and credit department at the same time. To give the credit department the right to have its clerks examine the records to obtain credit data at all times means that the accounting department will not only be inconven-

ience but its work may actually be delayed and its routine upset.

Advantages of the Dual Plan. *Fewer Errors.* If the statement machine and the ledger machine are equipped with two adding registers and one cross-computer (minimum requirements), a larger percentage of the errors made will be discovered at the time of posting than will be discovered when only one machine is used for both statement and ledger, as under the unit plan. To the extent that errors are discovered at the time of posting, to the same extent they may be corrected, with the ultimate result that there will be greater accuracy.

Accuracy of posting may be checked under the dual plan by accumulating in one register all charges (or credits), and in another a total of old balances on the statement machine. If one of the registers on the ledger machine is used to accumulate old balances, also, the total shown in it may be compared with the total of old balances shown in the register on the statement machine. If the totals are in agreement, accuracy is presumed. Or, if the sum of the total charges plus old balances, as shown by the registers on the statement machine, equals the total of the new balances, as shown by this register on the ledger machine, it may be assumed that all postings have been made to the proper account.

Errors which result from posting to an account with a similar name and where there is no old balance pick-up (as for example, A. A. Smith instead of E. M. Smith) are more easily detected under the dual plan than they are under the unit plan. The reason for this is found in the fact that both operators are not likely to record the same amount to the wrong account twice and when the next run of postings is made the error will be discovered, as the old balances on statement and ledger machines are compared, since they will not be in agreement. As a result, the old balances printed on the Proof Journal during the run will be immediately checked back against the old balance on the accounts to which the charge was made and the incorrect posting located.

Under the unit plan of posting, a charge (or credit) to the wrong account may not be located until the customer receiving the incorrect statement makes an objection.

Greater Flexibility. The work involved under the dual plan is more specialized than under the unit plan. Routine duties are kept

to a minimum for each operator because there is a division of labor. Because of this flexibility, it is possible to train operators more quickly for one machine or the other. As a consequence, new operators may develop speed in posting more quickly to say nothing of a higher degree of accuracy. The dual plan is sufficiently flexible to be able to use the machine operators in other clerical work during slack periods, or to transfer an operator from the statement machine to the ledger machine or vice versa as the occasion demands it.

Disadvantages of the Dual Plan. *More Costly.* More equipment is needed when the dual plan is used and this in itself makes the plan more costly. The use of the additional equipment is attended with increased expense for operator's salaries, forms, files, and extra floor space.

These costs are direct or primary ones and they may be partially offset, at least, by increased indirect or secondary costs which must be incurred under the unit plan. To make the costs of the latter plan comparable with those of the dual plan, consideration must be given to extra expense for adding machine, adding machine operator's salaries, and supplies for these machines.

Peak Loads. Peak loads may result when the dual plan is in operation and these considered from any angle are undesirable. The peak load comes from allowing either posting to the statements or to the ledger to fall behind, depending upon which operation is done first and the length of time allowed to elapse between runs on the different machines. If ledger postings are made at the end of the week, or the skeletonized ledger is prepared at the end of the month (both possible under the dual plan), peak loads are likely to occur at these times.

Peak loads may also occur during times when the store is having a special sale or at certain seasons of the year when purchases are unduly heavy. In either instance, work piles up for either the statement or the posting machine.

MECHANICAL FEATURES OF ACCOUNTING MACHINES WITH THE TYPEWRITER BASE

Inasmuch as there are a number of different makes of machines on the market, each having a typewriter base, it naturally follows that there are also different mechanical devices or features on the

various machines. Since it is impossible, because of space limitations (to say nothing of the doubtful educational value of so doing) to give a full description of the various machines, charts comparing the different mechanical features of six different brands have been worked out, and they appear in Illustrations 20 to 23 inclusive.

Other Machine Applications. An accounts receivable application is only one of many accounting applications for which machines with the typewriter base (or machines with the adding machine base for that matter) may be used. For example, other important applications include: (1) accounting for the payroll; (2) accounting for inventory; (3) accounting for accounts payable; and (4) accounting for manufacturing costs.

Methods of using the machines, however, are similar to those described for accounts receivable. Methods of proof for any or all of these other applications call for checks and balances similar in nature to those used to prove the accuracy of accounts receivable postings.

Attention is directed to the fact that accounting machines are being constantly improved and hence new devices are constantly being added to the machines. Basic features remain unchanged.

PRINCIPLES OF PUNCHED CARD ACCOUNTING

Before describing a typical application of punched card equipment in the field of machine accounting, it is necessary first to examine some of the principles that must be considered before installing the method. Other accounting machines may be purchased outright and depreciated over a long period of time; punched card equipment is leased at so much per month for each unit needed, and the cost may be greater. If the latter prevails, its use may then be justified only in the light of the existence of certain fundamental conditions necessary for its successful operation. These conditions have been restated in the form of principles which are discussed in detail in the following pages:

Volume. The number of media, number of items, number of classifications, number of classes in each classification, and the number of active classes in each classification have an effect upon the volume of work which is to be done on the equipment. *Without sufficient volume it is difficult to justify the punched card method of machine accounting.*

Costs. Volume, the reduction in time for the preparation of reports, the subsequent use of the punched card, the legal necessity for maintaining records for a long period of time, the percentage of allowable error in the records, idle machine capacity and the question of buying machine equipment, as against the renting or leasing of tabulating equipment, are *all related to costs*. The punched card method of accounting must justify itself over other machine methods by either providing more efficient methods at increased costs or by reducing accounting costs. If the first condition prevails, the management of the business assumes the additional expense because it believes that the punched card method of accounting will accomplish the end desired better than any other hand or machine method of accounting.

Media. Media may be defined as the original records or vouchers containing primary or secondary information about the business transaction which is used as a basis for transcribing data into the cards by means of punched holes.

The *number of media* used in the accounting operations may have a decided bearing upon the question under review, because it is tied up with the volume factor. It would be difficult to think of a situation where punched card equipment would work economically where only one or two hundred media per day resulted from the transactions of the business. In a situation such as the latter, it would be more economical to post the data by hand (or distribute it as the case may be) or to purchase an accounting machine of another type which although simple in design and low in cost could do the work efficiently.

The fact that original data may be written directly upon the card and then later punched into it is an argument for its use (if sufficient volume exists) because other original vouchers from which the data would have to be abstracted and punched are eliminated. Another point along the same line and one which may constitute an argument for the use of the punched card method is the fact that once the data is in the card a permanent record is made and there is no further necessity for keeping the original media created at the time of the business transaction. These may be destroyed by the department creating them after they have been returned by the tabulating department.

ILLUSTRATION 20. FEATURES OF ACCOUNT-

(Data contained in this table represents author's

Mechanical Features	Burroughs Moon-Hopkins	Remington
I. Typewriter Keyboard <ol style="list-style-type: none"> Stationary Movable 	1. Stationary	1. Stationary
II. Numerical Keyboard <ol style="list-style-type: none"> 10 keys 81 keys or less. Full keyboard. May be more or less	1. Two sets of 10-key keyboards each, and mechanical multiplier	1.
III. Paper Feed <ol style="list-style-type: none"> Flat or curved Front or back Alignment 	<ol style="list-style-type: none"> Either. Also collating table available Either To line or point on collating table 	<ol style="list-style-type: none"> Curved around cylinder Either or both Direct to writing position on platen, by guide wire
IV. Platen <ol style="list-style-type: none"> Cylindrical Flat 	1.	1.
V. Visibility of Writing <ol style="list-style-type: none"> Visible Blind 	<ol style="list-style-type: none"> 	1.
VI. Impulse for Registers <ol style="list-style-type: none"> Key-driven Motor-driven 	<ol style="list-style-type: none"> 	1.
VII. Printing of Numbers—Accumulating in Registers: <ol style="list-style-type: none"> Printed and accumulated digit-by-digit Printed digit-by-digit; but accumulated when last digit key of any number is released Printed and accumulated by depression of motor bar or separate key after depressing numeral keys 	<ol style="list-style-type: none"> 	1.

ING MACHINES WITH TYPEWRITER BASE

(opinion at time of making comparison)

Underwood	National—Ellis Model	Elliott-Fisher
1. Stationary	1. Stationary	2. Movable (Numerical keyboard also)
1.	1.	1.
1. Curved around cylinder 2. Either or both 3. By estimating proper place on platen	1. Curved around cylinder 2. Either 3. By estimating proper place on platen	1. Flat 2. Front 3. Directly to position on platen by means of line-finder
1.	1.	2.
1.	1.	1.
2.	2.	1.
2.	3.	1.

ILLUSTRATION 21. FEATURES OF ACCOUNT-

(Data contained in this table represents author's

Mechanical Features	Burroughs Moon-Hopkins	Remington
VIII. Tabulation		
1. For column position	1a.	1b.
a. Automatic		
b. Tabulator key		
2. For dollars and cents position	2a.	2b.
a. Automatic		
b. By tabulator keys		
IX. Punctuation		
1. Automatic	1.	
2. Manual		2. Manual, if any. Totalizers do not print differentiation for dollars and cents
X. Printing of Date		
1. Automatic—whole line at one time	1. (At same time old balance is printed)	
2. Typed in		2. Automatic printing device available
XI. Proof on Line of Writing		
1. For one pick-up—either old balance or charges (credits)		1. Possible
2. Two pick-ups—old balance and charges (or credits)	2.	2. Possible
3. Methods	3b.	3b. Two if desired, one is usually used
a. Two cross-computers		
b. One cross-computer		
XII. Printing New Balance		
1. Automatic. Depress motor bar and/or proper key	1.	
2. Visual and manual. Copy from cross-computer.		2.

ING MACHINES WITH TYPEWRITER BASE

(opinion at time of making comparison)

Underwood	National—Ellis Model	Elliott-Fisher
1a. (1b. if wanted)	1. Carriage returned manually after use of typewriter keyboard; money column selection automatic	1b.
2b.	2a.	2b.
1.	1.	1. Skips space between dollars and cents automatically
2. 1 is optional	2. 1 is available	2.
1. 2. Possible 3a.	1. Visual line proof pick-up of old balances used 2. Available, but seldom used 3b.	1. Mechanical line proof not possible
2.	1. By balance key and motor bar	2.

ILLUSTRATION 22. FEATURES OF ACCOUNT-

(Data contained in this table represents author's

Mechanical Features	Burroughs Moon-Hopkins	Remington
XIII. Proof that Cross-Computer is Cleared 1. Prints "0" after old balance in proof column 2. Prints star (*) after old balance in proof column	1. With XI. 2.	1. 2. Or lock proof clearance
XIV. Subtraction in Cross-Computer 1. Direct in all carriage positions 2. By complementary method	1. Possible	1. If No. 20 cross-computer is used 2. If No. 30 cross-computer is used
XV. Subtraction Vertical registers (For purpose of making corrections or clearing control totals at end of run) 1. Direct subtractions 2. By complementary method	1.	1. Mechanical device available for subtraction in any register
XVI. Proof Record 1. Audit sheet 2. Tally tape	1. or 2. as wanted	1. or 2. as wanted
XVII. Carriage Return 1. Automatic	1.	1.

To the extent that media may exist automatically, or may arise as a by-product of the business transaction, or may be arranged in proper classes or classifications, as a result of some previous routine operation, to the same extent may the need for punched card equipment be lessened.

If the media are already grouped so that the data thereon may be summarized without additional labor, the need for punched card equipment is lessened. A case in point is the posting of sales invoices

ING MACHINES WITH TYPEWRITER BASE

(opinion at time of making comparison)

Underwood	National—Ellis Model	Elliott-Fisher
2.	1. If register is clear— otherwise prints in proof column amount left in register	2.
1.	1.	1. If subtract stops are used for particular position 2. Without subtract stops
1. In any register by sub- tract key	1. Direct to clear totals 2. Complementary method for correc- tions	2.
1. or 2. as wanted	2. 1 Available	1.
1.	1.	1.

to accounts receivable on a geographical basis. To do this brings about a grouping of the invoices by salesmen and by territory, and the grouping of the media in this manner permits distribution to other records without further handling of the invoices.

Number of Items. Items are the number of entries on the original media which must be posted. Items exist in most instances in terms of both quantity and quality. For example, the number of articles, commodities, or products may be said to be a quantitative

ILLUSTRATION 23. FEATURES OF ACCOUNTING MACHINES WITHOUT A TYPEWRITER BASE

(Data contained in this table represents author's opinion at time of making comparison)

Mechanical Features	Burroughs	National
I. Platen (Writing Surface) 1. Cylindrical 2. Flat	1.	2.
II. Paper Feed 1. Flat or curved 2. Front or back 3. Alignment	1. Curved around cylinder 2. Either 3. Visual alignment by means of line finder	1. Flat 2. Front 3. Depress key corresponding with line number on ledger card to bring printing point even with line
III. Proof on Line of Writing 1. For one pick-up—either old balance or charges (credits) 2. Two pick-ups—old balance and charges (credits) 3. Methods a. Two cross-computers b. One cross-computer	2. 3b.	None
IV. Tabulation 1. For column position a. Automatic b. Tabulator key 2. For dollars and cents position a. Automatic b. Tabulator key	1a. 2a.	1a. 2a.
V. Number of registers (Maximum)	Six adding—one cross-computer Also direct subtraction	Twenty adding registers

measure; the value of each article, commodity, or product, singly or in total, may be said to be a qualitative measure.

To obtain information regarding a number of different commodities according to their value requires many sortings of the media containing the items. Such a task is laborious by hand methods and as many of the accounting machines cannot sort media containing items existing quantitatively and qualitatively, the punched card method is used because it is especially suitable for this kind of work.

The number of items necessary to make punched card equipment economical should in no case be less than 1,500 per day, and probably the economical lower limit should be set at 2,500 per day. Of course, the nature of the items themselves is often a determining factor because if sales are made by a factory making only one commodity there will be no need to sort the media for different items because they will all be the same. If, however, a factory makes fifty items which can be grouped into eight or ten main classes, punched card equipment will group these articles into the desired main classification more efficiently than can be done by any other method.

Number of Classifications. One of the principal reasons that punched card equipment is especially suitable for compiling the results of the census of statistical survey is because these data must be sorted into a number of different classifications. To compile census facts, it is necessary to group the statistical data according to sex, race, color, age, occupation, location, and many other classifications. This is done at a rapid rate on the sorter; so fast, as a matter of fact, that it is said that unless it could be done in this manner, the results of the 1930 census could not be made available by hand methods before the next census was ready to be taken in 1940. The same situation prevails to a lesser extent for vital statistical data accumulated by insurance companies in the course of actuarial studies.

In department store accounting, an audit of sales invoices calls for only a few groupings of the media. Classification of data by salesmen and by salesladies can be arranged so as to give at the same time the total sales for the various departments. Two-way classifications such as this eliminates the need for punched card equipment if this is the only factor to be considered. But if there are a large number of media, all containing a large number of items (postings),

this may change a negative need for punched card equipment into a positive one.

Number of Classes. Classes refer to the *number of accounts*. Thus, there may be 1000 pieces of original media, containing 15,000 different items grouped into 50 account classes, according to 5 different classifications.

Punched card equipment is especially suitable for the handling of various classes or sub-classes which are grouped under different classifications. The reason for this is due to the fact that the tabulator is capable of accumulating information in more registers than may be handled on any other accounting machine. The largest tabulator permits of printing information from the punched card in as many as four major classifications.

From what has been said about media, items, classes, and classifications, it is apparent that *volume* of accounting operations depend not necessarily upon any one of these factors, nor necessarily upon a combination of them. There can be great volume if the media exist in quantity but this does not necessarily call for the punched card method. On the other hand, if there are many media but only a few items to be posted, it may be that a less expensive machine equipment set-up will be more economical than the use of punched card equipment. Where, however, there are at least two classifications with several classes or sub-classes falling thereunder, punched card equipment usually begins to function economically.

In the last analysis, volume does not result so much from the amount of work to be done as it does from the manner in which the accounting data must be entered or distributed in the books of record, and the way in which it must be classified to obtain the desired reports.

Reduction in Time for Preparation of Reports. If there is a minimum of volume but still it is sufficient to justify the use of the punched card method, a further advantage may be claimed for the use of the equipment inasmuch as it operates so quickly that the preparation and presentation of reports and records are frequently advanced beyond the usual time of completion. One firm stated that cost analyzing by the operating department was advanced two weeks by use of the punched card method, and that final figures for the inventory of raw materials, supplies, goods in process, and finished

goods were made *currently* available by this method. Also, the figures for inventory for the month were made available within the next day or two in the following month in contrast to a waiting period of a week or more before the data was in final useable form.

Some of the reasons that the punched card method causes a lessening in the time normally required for the preparation and presentation of records and reports, other than those found in the inherent nature of the equipment itself, are:

1. To use punched card equipment efficiently, there must be better coordination of accounting function between the various departments within the business and the accounting department. The concrete effect of better coordination is found in more efficient scheduling of original media from the other departments to the tabulating division of the accounting department.
2. A systems man is assigned by the tabulating company to each new installation of the equipment. He devotes his entire time in helping the management establish proper accounting routines for the equipment and aids the accounting department in setting up schedules for media which when properly established permits the tabulating department to turn out work with dispatch.
3. Inasmuch as other machines, such as adding machines and calculators, are necessary adjuncts to the punched card method insofar as they are needed to prepare the original media for scheduling to the tabulating department this often increases the efficiency of the organization as a whole. As a result, records and reports are brought out on an earlier date.
4. Punched card equipment utilizes preprinted forms and vouchers from which information may be quickly abstracted and placed on the card in the form of punched holes.
5. Lastly, since the tabulating department must operate as a centralized department, it is possible to shift employees from one department to another to keep the media coming in to the department at a uniform rate. Many times this shifting enables the management to avoid "jams" or "bottle-necks" in the scheduling of media from the various originating departments to the tabulating department.

Subsequent Use of Punched Cards. An example of the subsequent use of punched cards after they have served for reports for the current operating period is found in an accounts receivable application of the punched card method. After the cards are used to gather and print the data relative to accounts receivable, the cards are then used to prepare a *detail aged trial* balance, and then to prepare a

history of any desired customer's account. The first report makes it possible to determine the age of the different items of the customer's accounts according to 30- 60- and 90-day periods. The second gives a numerical picture of the relative activity or inactivity of the customer's account including the amount of merchandise purchased, the amount paid thereon to date, the promptness of each payment, and the amount still unpaid. It cannot be denied but that these subsequent reports are worth much from a managerial point of view, and since they were obtained as a by-product of the accounting operations for accounts receivable (at very little extra cost) this increases the value of the equipment.

Punched cards are frequently used again after having served their purpose in records sales information. Records may be made from the sales cards which, because of reclassification of data thereon, are useful in production control, back ordering, and in stock or inventory control. Reports such as these may be made during the current period when the information is of greatest value. At the end of the month the sales data may again be classified to obtain reports of sales according to salesman, commodity, territory, and other desired groupings, depending upon the information originally punched in the card. All of these reports are needed for executive control purposes.

It is conceded that the use to which punched cards may be put, after the original accounting operation is completed, is an important factor to be considered in determining whether the punched card method should be installed. Yet, at the same time, it is frankly admitted that accounting machines are purchased primarily to bring about economies in the normal accounting operations of the business and upon this criterion alone must be evaluated installation of any accounting machine.

Legal Necessity for Preserving Accounting Data. Admitting that there may be a legal necessity for preserving records, reports, or media for a certain length of time, any advantage accruing from the punched card method in this respect must arise from the ease, readiness, and quickness with which the desired information may be abstracted by the punched card method, and by the comparative cost of obtaining this information, as against hand or accounting machine methods.

The fact that required information may be obtained easily and quickly when the media are in the form of punched cards is a point in favor of punched card equipment. Today these factors must be weighed in the light of sudden and unexpected calls on the part of governmental regulatory bodies for reports covering past transactions of the business. In the "Twenties" it was not unusual (nor is it today for that matter) for the Interstate Commerce Commission to call for reports from railroads which were not readily available. But, because many of the facts were recorded on punched cards, the reports were easily prepared, and at a relatively low cost. At the present time, establishment of many other governmental regulatory bodies, such as the Social Security Board, The Securities and Exchange Commission, and the Commodity Exchange Administration, and others which have the power to compel submission of business data, may call for setting up an accounting system which has sufficient flexibility to develop any kind of reports desired.

Allowable Errors. Although the punched card equipment is highly complex, errors arising from mechanical faults are few. Most errors occur during the key punching operation. A failure on the part of the operator to read or interpret the data properly, or a failure to transcribe it properly into the card are two prevalent sources of error. The prevalency to make errors at this point may be further increased by the fact that the punched card method of accounting utilizes "coding" as a device to expedite the recording of numerical data into the card. As a matter of fact, it should be stated at this point that one of the fundamental principles underlying the whole punched card method of accounting is that much of the data on the original media is transcribed to the card in the form of a code. For example, commodities, states, cities, accounts, departments, and what not, are designated by code numbers. The coding process enables more information to be entered on the card with less punching of holes. Furthermore, coding is necessary in order that cards may be sorted and resorted expeditiously into the various desired classifications preparatory to the tabulation of the needed reports.

Naturally, there are certain safeguards to help eliminate errors in coding. Standardized codes which are simple but comprehensive are available. When the operator becomes *familiar* with them, little difficulty is encountered in key punching.

On the mechanical side, the data punched into the cards may be verified by three different methods. In the first method, the cards are run through a Verifying Punch after key punching. This is a repetitive process carried on by another operator directly from the original media and it is costly. Another method of checking the punched cards is by running them through the Interpreter. This machine prints digits at the top of the card to correspond to the punched holes. These printed figures are easily checked against the data or codes on the original media. A third method is to use an Electrically Operated Key Punch which not only punches holes in the cards but which prints the digits to correspond with the holes at the top of the cards all in one operation.

Another cause of errors lies in the failure to exercise rigid supervision of the machine operators. A good supervisor will set up controls other than those already mentioned which will enable the accuracy of the work to be proved.

Idle Capacity. To secure maximum efficiency from punched card equipment, it must be running at all times. It is needless to say that this is impossible. For one thing, the machines are highly mechanized and require servicing to keep them in good working order. Card jams occur which necessitates the stopping of the machine, and in some cases work is held up until spoiled cards can be repunched. Lastly, time is lost because the plug-board has to be changed to tabulate the material in a different order. While idle capacity may be a minor factor in determining whether punched card equipment can be efficiently used on the contemplated accounting routine, it is true, nevertheless, that a maximum use of the machines helps to insure a successful application of the method.

Costs. Punched card equipment is leased—not sold. There is a monthly rental charge for each piece of equipment installed. Included in this charge is a certain amount unknown to the user to cover the costs of servicing the equipment. A small installation will call for at least three pieces of equipment—the key punch, sorter, and tabulator (either listing or non-listing). The necessary operators include a key punch operator, and an operator for the sorter and the tabulator. To this personnel must be added a supervisor or systems man. It is his duty to supervise these operators and to coordinate tabulating work with the work of other departments.

PUNCHED CARD METHOD OF ACCOUNTING FOR ACCOUNTS RECEIVABLE

The Tabulating Card. The accounts receivable application begins, as do all other applications of the punched card method of accounting, with the designing of a tabulating card which will serve as a permanent record of the customer's account. An 80-column card is used for this purpose, as shown in Illustration 24. It is $3\frac{1}{4}$ inches by $7\frac{3}{8}$ inches, with tolerances of minus .003 to plus .008 for width and length, respectively. These cards are made from spruce cut during the winter seasons at which time the trees are free from sap

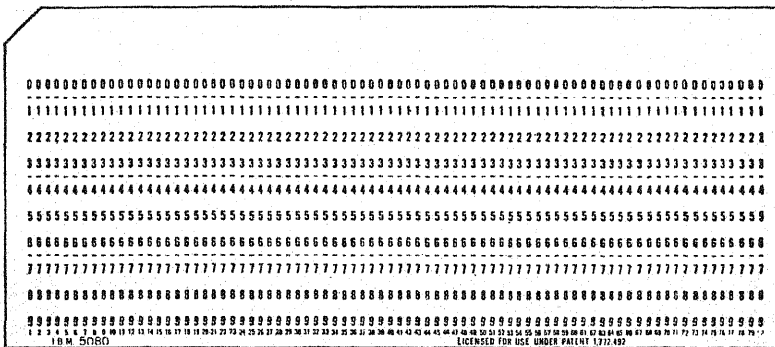


Illustration 24. Tabulating card showing 80 vertical columns. There are 12 vertical positions, ten of which are shown—the cipher and the digits 1 to 9.

and gum. Special treatment in the manufacturing process prevents the cards from warping, curling, swelling, or shrinking. In the process of their manufacture, they are inspected for carbon spots, breaks, pin holes, and other defects. By means of this inspection, defective cards are culled out, and this in turn eliminates the possibility of electric contacts being made through any other place on the card but the punched hole.

Columns and Digits. Each of the 80 columns on the card contains twelve punching positions. Ten of these are indicated by the printed digits 0-9, corresponding to the digits of the numerical data punched. Positions 11 and 12 are not shown, since they are at the top of the card and this space is needed for a printed description of the various fields for the particular accounting application. Illustration 25 shows a tabulating card marked off into the fields necessary for recording data applicable to customer's accounts.

Punching the Card. The transcription of data from a sales

been transcribed into the cards, they are put through an Interpreter, Illustration 28. This machine translates into figures the holes in the tabulating card and prints these figures at the top of the card as shown in Illustration 29. Following this operation, the printed data on the card is compared with the data on the sales slips for proof of the accuracy of the punching. Inasmuch as the Interpreter handles cards at the rate of 75 per minute, this work is soon finished.

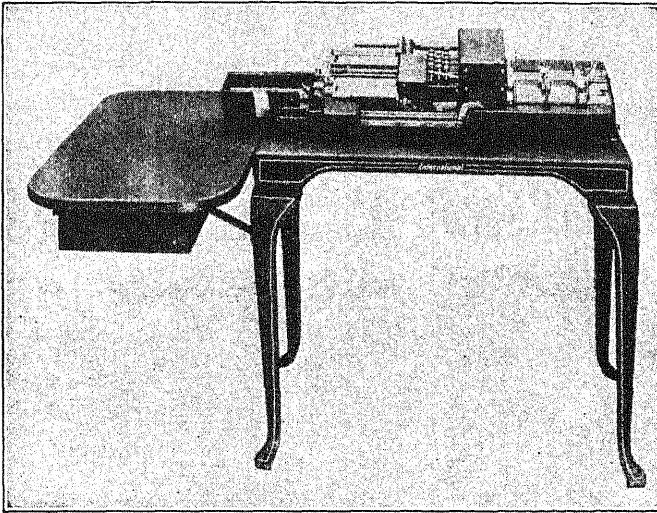


Illustration 27. Motor-drive duplicating key punch. This machine is used to record data in cards by means of punched holes. Data common to a group of cards may be recorded automatically. The feeding and ejecting of cards is also automatic.

Charges and Credits. Each time a purchase is made by a customer, a new card is punched. If a payment is received on account, this may either be entered on the charge card or it may be entered on a separate credit card of the customer. All accounts receivable cards are kept in a separate file according to customer account number. When money is received which cancels a charge on a specified card, the card is removed from the active file and placed in a paid file.

At the end of the month, the cards in the active file are removed and tabulated on the Electric Bookkeeping and Accounting Machine, Illustration 30. This machine is a multiple adding, subtracting, classifying, totaling, and printing machine. It prints at the rate of

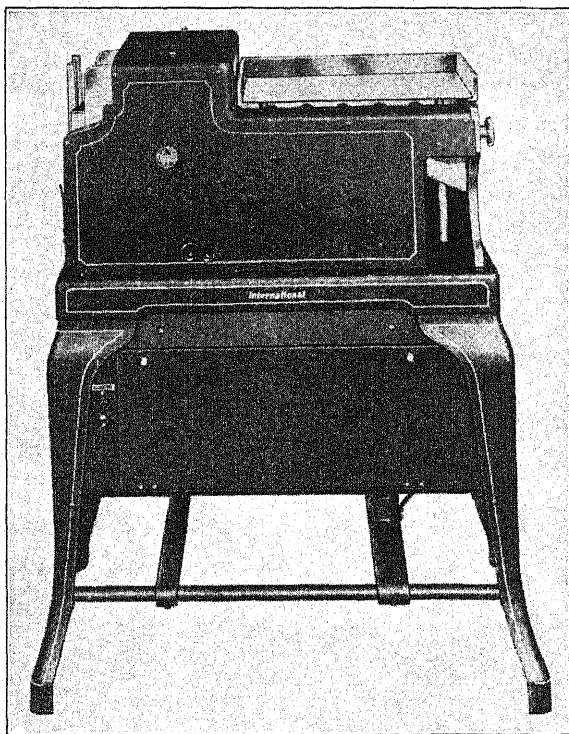


Illustration 28. The Interpreter translates the data in the form of punched holes. It prints this data at the top of the card thus indicating the digit punched in every columnar position on the card.

[illegible]

Illustration 29. Tabulating card showing data punched in card and numerical translation at the top of the card.

75 cards per minute and from it is obtained the monthly statement for each customer. Illustration 31 shows the monthly statement of

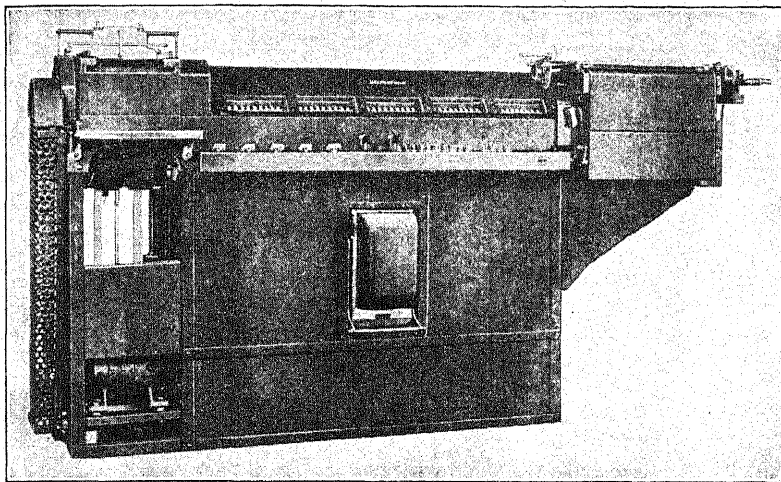


Illustration 30. Electric bookkeeping and accounting machine. This machine is a multiple adding, subtracting, classifying and printing machine. It is actuated by electrical impulses through the punched holes of the card. Reports prepared on this machine may be in summary form, or in detailed form with totals, net totals, and accumulated net totals for classified groups.

STATEMENT

REPRESENTATIVE COMPANY
CHICAGO, ILLINOIS

Code:

- 1 - Invoice
- 2 - Cash Receipt
- 3 - Debit Memo
- 4 - Credit Memo

Name: Harry Johnson
Address: 1107 West Avenue
City: Clinton State: Illinois

Date: March 1, 1937

CUSTOMER NO.	DATE			INVOICE NO.	CODE	DEBIT AMOUNT		CREDIT AMOUNT		BALANCE	
	MO.	DAY	YR.								
4765431	11	6	36	8430523	1	200	00				
4765431	11	14	36	8367231	4			68	00		
4765431	12	8	37	8147052	1	954	60				
4765431	12	29	37	8217435	1	654	32				
4765431	2	2	37	8756201	2			100	00		
4765431	2	10	37	8367231	1	540	25				
										2181	17*

Illustration 31. Monthly statement of Harry Johnson, 1107 West Avenue, Clinton, Illinois, as tabulated from punched cards.

Harry Johnson, 1107 West Avenue, Clinton, Illinois. A duplicate of the statement is retained for reference.

Other Reports. After monthly statements have been prepared from the punched cards, other useful reports may be compiled from the accounts receivable cards. One of these reports is the Detailed

DETAILED AGED TRIAL BALANCE

Month of February, 1937

NAME OF CUSTOMER	CUSTOMER NO.	DATE		HR.	SALESMAN	CREDIT LIMIT	30 DAYS AND OLDER	60 DAYS	90 DAYS	CURRENT	BALANCE
		MO.	DAY YR.								
HARRY JOHNSON 1101 WEST AVENUE CLINTON, ILLINOIS	4765431	11	6 36	21	431	10000	20000				
	4765431	11	5 36	21	431	10000	16819				
	4765431	12	5 36	21	431	10000		15045			
	4765431	12	18 36	21	431	10000		37518			
	4765431	21	10 37	21	431	10000			17526	85080	
							36819*	52563*	17526*	85080*	191908*
JOHN JONES 405 FIVE STREET MORRIS, ILLINOIS	2568330	11	6 36	21	522	5000					
	2568330	12	5 36	21	522	5000					
	2568330	12	23 36	21	522	5000		50013			
	2568330	11	10 37	21	522	5000		82515			
	2568330	22	10 37	21	522	5000			47546	74590	
							30835*	132528*	118109*	85090*	369262*

Illustration 32. Detailed Aged Trial Balance prepared by grouping customers' cards on the sorting machine and tabulating.

REPRESENTATIVE COMPANY

CHICAGO, ILLINOIS

HARRY JOHNSON
CLINTON, ILLINOIS

HISTORY OF CUSTOMER'S ACCOUNT

CUSTOMER NO.	DATE		HR.	SALESMAN	INVOICE NO.	CREDIT LIMIT	CHARGE	CREDIT	BALANCE (PROGRESSIVE TOTAL)
	MO.	DAY YR.							
4765431	11	6 36	21	431	8430523	10000	20000		20000
4765431	11	5 36	21	431	8365712	10000	16819		36819
4765431	11	16 36	21	431	8367231	10000		6800	30019
4765431	12	5 36	21	431	8570134	10000	15045		45064
4765431	12	18 36	21	431	8163014	10000	37518		82582
4765431	12	20 37	21	431	8152306	10000	17526		100108
4765431	2	2 37	21	431	8756201	10000		10000	90108
4765431	2	10 37	21	431	8310221	10000	85080		175188
4765431	2	14 37	21	431	8430523	10000		20000	155188
4765431	2	14 37	21	431	8365712	10000		16819	138369
4765431	2	14 37	21	431	8570134	10000		15045	123324
4765431	2	27 37	21	431	8124102	10000	63420		186744
4765431	3	3 37	21	431	8163014	10000		37518	149226
4765431	3	14 37	21	431	8104306	10000		17526	131700
4765431	3	14 37	21	431	8331311	10000		85080	466620

Illustration 33. History of customer's account made by tabulating the cards of a customer for the desired period of time.

Aged Trial Balance; another is a History of the Customer's Account. The former, which tells the exact status of the customers' accounts in respect to their age, is shown in Illustration 32. The latter, which gives a running history of purchases and payments made by each customer, is shown in Illustration 33.

The reason that these additional reports, which are useful in managing the business, can be obtained, as a by-product of the ac-

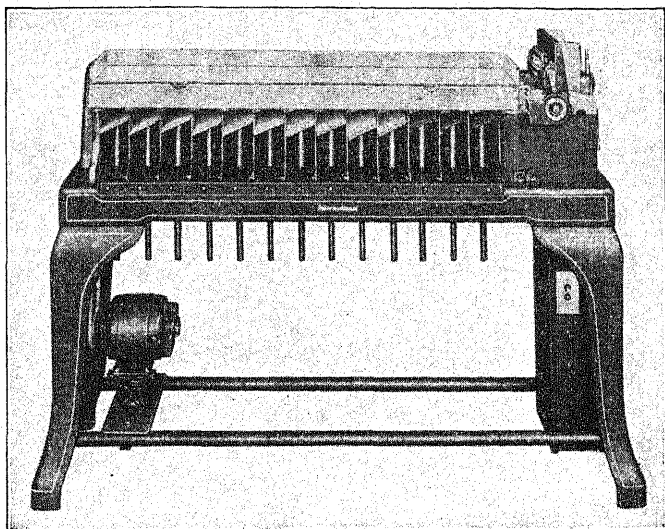


Illustration 34. Card-operated sorting machine. Cards are automatically sorted into any desired classification on this machine, and in any sequence desired. It sorts at a rate of 225 to 400 cards per minute.

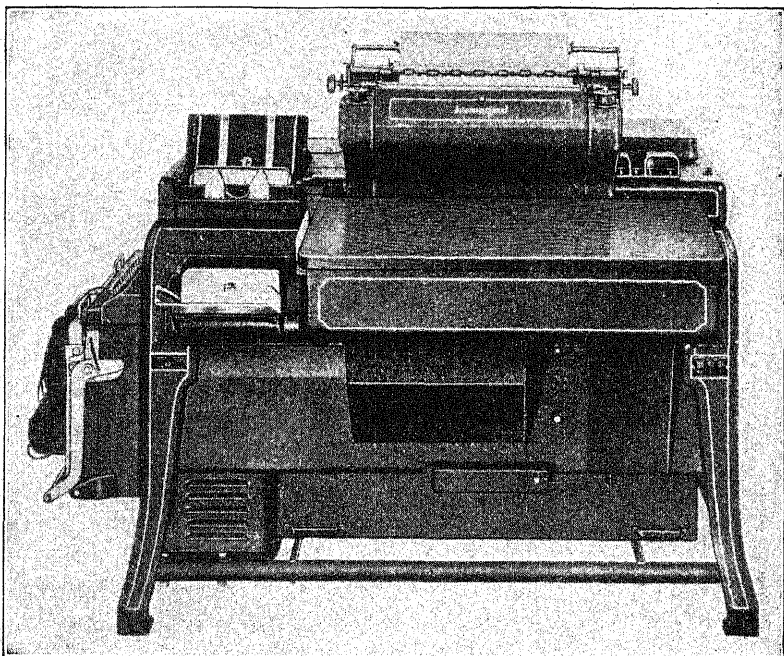


Illustration 35. Alphabetical bookkeeping and accounting machine. Listed or tabulated reports, containing both numerical and alphabetical data, are prepared on this machine through the data on the punched cards. The counters in this machine are used for either adding or subtracting.

counts receivable accounting application, is found in the Card-Operated Sorting Machine, Illustration 34. This machine automatically groups all cards of common classification and at the same time arranges the classifications in the sequence desired. After the new report is tabulated, the cards may be rearranged in their original account number and returned to the accounts receivable file. The sorting machine operates at a rate of 225-400 cards per minute.

Alphabetical Punched Card Equipment. The above application of punched card equipment to accounts receivable is, as previously stated, based entirely upon transcribed numerical data into cards in the form of punched holes. Equipment is also available which permits not only transcription of numerical data into the card, but also alphabetical data. This means that words may be written as well as numbers, in fields allotted to this purpose. Consequently, it is possible to punch into the card the name of the customer, his address, city and state—all of which is reproduced upon his statement when his bill is prepared on the Alphabetical Tabulator, Illustration 35. The Alphabetical Key Punch shown in Illustration 36 incorporates a regular typewriter keyboard as a part of its punching mechanism and it is from this that alphabetical data is transcribed in the card.

APPLICATION OF ACCOUNTING MACHINE WITH CASH REGISTER BASE

Hotel Accounts Receivable. An explanation as to the method of using an accounting machine with a typewriter base, along with an explanation as to how a machine with an adding machine base might be applied to accounts receivable, has already been given. The accounting routine concerned is that generally found in a department store.

In this section an exposition of the method of applying an accounting machine with a cash register base is given. The accounting routine selected for this purpose is that found in a hotel. It is a routine which might be inaugurated at any hotel, apartment hotel, club, international house, or other institution where money is *currently* received in payment of the customer's account.

The machine shown in Illustration 37 is particularly suited to this application.

Accounting Requirements for Accounts Receivable. The requirements regarding the accounting routine for any of the institutions mentioned above may be summarized as follows:

1. A record of the cash received must be made at the time it is received—not later.



Illustration 36. Alphabetical duplicating printing punch. This machine is used to punch both numerical and alphabetical data in cards. As the holes are punched in the cards, the figure or letter is also automatically printed at the top of the card, thus eliminating the need for the Interpreter, Illustration 28.

2. All charges and credits must be posted to the guest's account promptly—there can be no delay.
3. An itemized and totaled *receipt* showing all charges and credits must be available at the time the guest checks out.
4. Earnings of the various departments, as for example, rooms, telephone switchboard, cafe, valet, laundry, etc., must be known at regular intervals throughout the day.
5. The amount of cash remitted by each cashier upon going off duty must be known.
6. The guest accounts receivable ledger must always be in balance.

The advantages of using an accounting machine with a cash

register base is found in the various accounting functions which this machine will perform, some of which are listed below:

1. Eliminates hand posting and transcribing.
2. Mechanically posts and extends balances.
3. Describes the nature of all guest charges and credits.
4. Prints four postings at one time—each in the proper column of the guest's bill, the account card, the charge voucher, and the detailed audit sheet.
5. Automatically accumulates charges into departmental totals.
6. Replaces the night transcript with a printed audit sheet showing all transactions.

Posting Accounts Receivable. Posting to the guest's account takes place in the cashier's cage at the time original media containing a description of the charges or credits are received. Three records are made at the time the posting is entered. These are as indicated in No. 4, above, the guest's statement of account, his ledger card, and the audit or journal sheet.

As the three records are made, the amounts printed thereon are automatically accumulated in locked registers or accumulators on the machine. The totals accumulated in these registers are under the control of the hotel auditor—not the clerks. It is he who checks them and who has authority to clear the accumulators. Unauthorized clearing of these registers, if it occurs, is easily detected.

Whenever the accounting forms are inserted in the machine, full word descriptions of the transactions are printed thereon at the same time as the amounts are entered.

Keyboard of Machine. A keyboard of the cash register type accounting machine is pictured in Illustration 37. The amount keys are at the left of the keyboard. These six rows of keys are used to charge and credit the accounts of the guests. Five rows of print keys appear at the right of the keyboard. These are used to print the number of the guest's room on each of the four records already described. The rows of keys at the extreme right are used to designate and identify sample rooms, private dining rooms, and so on.

The Keys Labeled: MISCELLANEOUS, LAUNDRY, VALET, RESTAURANT, TELEPHONE, ROOM, LONG DISTANCE, CIGAR STAND, PORTER, TELEGRAM, and PAID OUT are used to post charges to the accounts. The TRANSFER FROM

CITY LEDGER key is used when a guest's account is to be cancelled in the city ledger and recharged in the guest ledger. The key is used also whenever a guest's account is to be charged directly in the guest's ledger. The CASH and REBATE keys are used when credit is given a guest, and the effect of depressing them is to subtract out the amount from the balance in the machine. The TRIAL BALANCE and AUDITOR'S CASH TOTAL keys are used during the day by cashiers when they make the daily entries on their records. The AUDITOR'S CONTROL key is used only when the

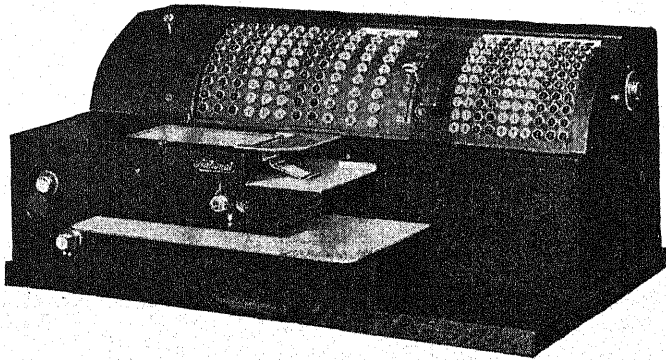


Illustration 37. Accounting machine with a cash register base. The customer's statement, ledger page, and proof journal, or tape, is prepared in one operation on this machine by depressing the proper keys.

head auditor reads or clears the total of all cash received from the various sources within the institution. It is equipped with a lock.

Registration Routine. When a guest registers at the hotel or institution, a ledger card and guest statement are made up. These show room number, name of guest, date of arrival, and rate of room. At the same time, the room, mail, information and telephone slips are written. The ledger card and guest statement are filed in a tray at the side of the machine. Guest accounts are always kept up-to-the minute because the machine posts charge vouchers just as soon as they are received from the originating departments within the institution.

The three records to which postings are made in a single operation of the machine appear in Illustrations 38 to 40 inclusive. Illustration 38 is the guest card of Paul Price, 101 Winona Avenue, Tulsa, Oklahoma. The name and address are typed in. This form shows

charges for room, telegram, porter, laundry, restaurant, and valet. Charge vouchers are shown in Illustration 41, for telegram and laundry; other charge vouchers are of a similar nature.

PAUL PRICE 101 WINONA AVENUE TULSA OKLAHOMA						
MEMO.		DATE	EXPLANATION	AMT. CHARGED	AMT. CREDITED	BAL. DUE
	1	JUL-1-37	ROOM	* 4.00		* 4.00
	2	JUL-1-37	TELEGRAM	* 0.65		* 4.65
	3	JUL-1-37	PORTER	* 0.50		* 5.15
	4	JUL-2-37	LAUNDRY	* 1.75		* 6.90
	5	JUL-2-37	ROOM	* 4.00		* 10.90
	6	JUL-2-37	RESTAURNT	* 2.50		* 13.40
	7	JUL-2-37	VALET	* 1.50		* 14.90
	8	JUL-3-37	PAID		* 14.90	* 0.00
	9					
	10					
	11					
	12					
	13					
	14					
	15					
	16					
	17					
	18					
	19					
	20					
	21					
	22					
	23					
	24					

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THE NATIONAL CASH REGISTER CO., DAYTON, OHIO

LAST BALANCE IS AMOUNT DUE UNLESS OTHERWISE INDICATED

Illustration 38. Guest card or statement prepared on accounting machine with cash register base.

When Mr. Price paid his bill of \$14.90, a credit posting was entered in the column designed for this purpose on both statement and ledger card, Illustrations 38 and 39. This same credit appears on the audit tape as may be seen in Illustration 40 opposite Room 202. Upon payment of the account the statement is given to the guest, the ledger card is placed in the check-out file, and the charge vouchers are filed for future reference or analysis. The audit sheet remains in

the machine until the night auditor finishes making his report.

Cashier's Reports. A *Cashier Insert Key* is inserted in a slot on the right side of the machine when the cashier goes on duty.

PAUL PRICE 101 WINONA AVENUE TULSA OKLAHOMA							
FROM FOLIO				No.			
MONDAY		TUESDAY		WEDNESDAY		THURSDAY	
FRIDAY		SATURDAY		SUNDAY			
LOCAL PHONE CALLS							
MEMO.	DATE	EXPLANATION	AMT. CHARGED	AMT. CREDITED	BAL. DUE	ROOM No.	
	1 JUL-1-37	ROOM	* 4.00		* 4.00	#•202-	
	2 JUL-1-37	TELEGRAM	* 0.65		* 4.65	#•202-	
	3 JUL-1-37	PORTER	* 0.50		* 5.15	#•202-	
	4 JUL-2-37	LAUNDRY	* 1.75		* 6.90	#•202-	
	5 JUL-2-37	ROOM	* 4.00		* 10.90	#•202-	
	6 JUL-2-37	RESTAURANT	* 2.50		* 13.40	#•202-	
	7 JUL-2-37	VALET	* 1.50		* 14.90	#•202-	
	8 JUL-3-37	PAID		* 14.90	* 0.00	#•202-	
	9						
	10						
	11						
	12						
	13						
	14						
	15						
	16						
	17						
	18						
	19						
	20						
	21						
	22						
	23						
	24						
REMARKS			TRANSFER TO CITY LEDGER				
			GUEST'S SIGNATURE _____				
			CHARGE TO _____				
			ADDRESS _____				
			APPROVED BY _____				

Illustration 39. Ledger page of guest. This record is prepared at the same time as the statement.

Through the use of this key, a symbol is printed on the audit sheet which identifies the cashier making the entry.

At the time the first cashier goes off duty, a sub-total reading is taken of Cash, Cigar Stand, Porter, Telegram, and Paid Out. On Form A, Illustration 42, the closing cash balances are printed. At the

same time these totals are printed on Form A, they are also printed on Form B, Illustration 43. The first form is used for the cashier

	S		☆	2.50 BL	#00-
VALET	S	☆ 1.24			#0234-
	S		☆	3.74 BL	#00-12
	S		☆	5.75 BL	#00-
	S PAID	☆ 5.75			#0312-
	S		☆	0.00 BL	#00-12
	S		☆	34.50 BL	#00-
LONG DIST	S	☆ 6.75			#0456-
	S		☆	41.25 BL	#00-12
	S		☆	23.35 BL	#00-
LAUNDRY	S	☆ 5.00			#0436-
	S		☆	28.35 BL	#00-12
	S		☆	12.35 BL	#00-
MISCEL.	S	☆ 2.35			#0301-
	S		☆	14.70 BL	#00-12
	S		☆	2.35 BL	#00-
	S PAID OUT	☆ 5.00			#0348-
	S		☆	7.35 BL	#00-12
	S		☆	13.40 BL	#00-
	S TELEGRAM	☆ 2.23			#0605-
	S		☆	15.63 BL	#00-12
	S		☆	14.90 BL	#00-
	S PAID	☆ 14.90			#0202-
	S		☆	0.00 BL	#00-12
	S		☆	12.34 BL	#00-
LONG DIST	S	☆ 2.15			#0333-
	S		☆	14.49 BL	#00-12

Illustration 40. Audit tape containing a chronological record of all transactions for each posting period. Note the receipt of \$14.90 shown in bold face, paid by Paul Price on account.

going off duty, Miss Benson, and the second for the cashier coming on duty, Miss Ainslee.

When the second cashier, Miss Ainslee, goes off duty, closing totals are printed on Form B. The difference between the opening

and closing balances being, of course, the amount of cash which should be on hand for the various departments obtained during the period of duty of Miss Ainslee. Closing balances are again picked

TELEGRAMS			
Name <i>Paul Price</i>		Date <i>July 1</i> 19 <i>37</i>	No 853303
Room <i>202</i>			
Explanation			
<i>Day message</i>		<i>65</i>	
(Do not write in above space)			
Printed The National Cash Register Co., Dayton, Ohio		SIGNED BY <i>A. H. M.</i>	
Form 622			

LAUNDRY			
Name <i>Paul Price</i>		Date <i>July 1</i> 19 <i>37</i>	No 20003
Room <i>202</i>			
Explanation			
		<i>1 75</i>	
(Do not write in above space)			
Printed The National Cash Register Co., Dayton, Ohio		SIGNED BY <i>Kearney</i>	
Form 618			

Illustration 41. Charge vouchers constitute the original media for entering charges of other departments upon customer's statement and ledger page.

up on a new Form A for the third cashier coming on duty. This process is repeated every time a new cashier takes over the desk. Attention is directed to the fact that *Opening* and *Closing* position are reversed on Forms A and B, and that all these balances were obtained by means of the *sub-total* key.

The night auditor checks all charges and credits for all departments made during the period under review. In this case, 12:00 noon to 12:00 midnight. On his report appear the totals of \$2,411, \$47, \$55, \$10.40, and \$85 for room, cigar stand, porter, telegram,

and paid out respectively. These are the same totals as are shown on Form B. In addition to taking these totals he also posts local telephone charges, room charges, proves the balance in the guest's

A—CASH REPORT—FRONT OFFICE REGISTERS

ON DUTY 12:00 A.M.
OFF DUTY 6:00 P.M.
CASHIER Benson

THE NAME OF HOTEL WILL BE PRINTED HERE

MACHINE NO. _____

RECEIVED (CASH CR.)	DATE	DEPARTMENT	BALANCE	DIFFERENCE	MACH. TOTALS
CASH CLOSING 1	JUL-3-37	PAID			* 1,745.50 AU
OPENING 2				X-X-X-X-X	
3					
DISBURSED 4					
CLOSING 5	JUL-3-37	CIG. STAND			* 35.00 AU
OPENING 6					
7					
CLOSING 8	JUL-3-37	PORTER			* 40.00 AU
OPENING 9					
10					
CLOSING 11	JUL-3-37	TELEGRAM			* 6.80 AU
OPENING 12					
13					
CLOSING 14	JUL-3-37	PAID OUT			* 71.00 AU
OPENING 15					
16		BALANCE			
CORRECTIONS 17	SUBTRACT "CASH CR." DEDUCTIONS				
18					
19	ADD	DE.			
20		DE.			
21		DE.			
22		DE.			
23		NET			
24					

F. 487—PATENT OF THE NATIONAL CASH REGISTER CO., DAYTON, OHIO

CASHIER: TOTALS OF ABOVE KEYS MUST BE IMPRINTED ON FORMS A AND B IN PRESENCE OF ONCOMING CASHIER.
(SEE CORRECTION SHEET.)

Illustration 42. Form A showing the arrival of cashier, Miss Benson, at 12:00 noon, and departure at 6:00, with machine totals for a six-hour period.

accounts receivable ledger, and when necessary corrects any errors.

Illustration 44 shows the form used by the night auditor to prepare his report and to clear the machine of all totals. Before he can clear the machine, it is necessary to run a trial balance. He does this by picking up the present balance of each account, posts the local telephone charges and room charges, and extends the balance. This balance accumulates in a register. The register is

cleared when the total is printed on the night auditor's report, Form D.

Auditor's totals are checked against figures furnished him by

B—CASH REPORT—FRONT OFFICE REGISTERS

ON DUTY 6:00 P.M.
OFF DUTY 12:00 P.M.

CASHIER Ainslee

THE NAME OF HOTEL WILL BE PRINTED HERE

MACHINE NO. _____

RECEIVED (CASH CR.)	DATE	DEPARTMENT	BALANCE	DIFFERENCE	MACH TOTALS	
CASH OPENING 1	JUL-3-37	PAID			* 1,745.50 AU	# • • -
CLOSING 2	JUL-3-37	PAID		X-X-X-X	* 2,411.50 AU	# • • -
3						
DISBURSED 4						
NEWS STAND OPENING 5	JUL-3-37	CIG STAND			* 35.00 AU	# • • -
CLOSING 6	JUL-3-37	CIG STAND			* 47.00 AU	# • • -
7						
PORTER OPENING 8	JUL-3-37	PORTER			* 40.00 AU	# • • -
CLOSING 9	JUL-3-37	PORTER			* 55.00 AU	# • • -
10						
TELEGRAMS OPENING 11	JUL-3-37	TELEGRAM			* 6.80 AU	# • • -
CLOSING 12	JUL-3-37	TELEGRAM			* 10.40 AU	# • • -
13						
DISBURSEMENTS OPENING 14	JUL-3-37	PAID OUT			* 71.00 AU	# • • -
CLOSING 15	JUL-3-37	PAID OUT			* 85.00 AU	# • • -
16		BALANCE				
CORRECTIONS 17	SUBTRACT	"CASH CR." DEDUCTIONS				
18						
19	ADD	"NEWS" DE				
20		"PORTER" DE.				
21		"TELEGRAMS" DE.				
22		"DISBURSMT" DE.				
23		NET				
24						

F-490—PRESS OF THE NATIONAL CASH REGISTER CO. DAYTON, OHIO

CASHIER: TOTALS OF ABOVE KEYS MUST BE IMPRINTED ON FORMS A AND B IN PRESENCE OF ONCOMING CASHIER.
UNDER "CORRECTIONS" SUBTRACT "CASH CR." DEDUCTIONS AND ADD "NEWS STAND," "PORTER,"
"TELEGRAMS" AND "DISBURSEMENTS" DEDUCTIONS. (SEE CORRECTION SHEET)

Illustration 43. Form B showing the arrival of second cashier, Miss Ainslee, at 6:00, and departure at 12:00 midnight, with machine totals for a six-hour period.

each of the various departments, which are called control figures or totals. If the work is correct, his total will agree with the control totals furnished by each of the various departments.

The head auditor controls, by a key, the register which accumulates all cash received and which is called the *Auditor's Cash Total*.

Consequently, he has control over the cash reported by the night auditor.

At the close of the night audit, the audit sheet, Illustration 40,

D—NIGHT AUDITOR'S MACHINE BALANCE NO. _____

THE NAME OF HOTEL WILL BE PRINTED HERE DATE July 3 19__

MEMO.	DATE	DEPARTMENT	NET TOTALS	CORRECTIONS	MACH. TOTALS	NO. OF ITEMS
MISCELLANEOUS	1 JUL-3-37	MISCEL.			* 0.00 AU	# • • -
LAUNDRY	2 JUL-3-37	LAUNDRY			* 102.00 AU	# • • -
VALET	3 JUL-3-37	VALET			* 148.25 AU	# • • -
RESTAURANT	4 JUL-3-37	RESTAURANT			* 478.50 AU	# • • -
LOCAL PHONE	5 JUL-3-37	TELEPHONE			* 49.10 AU	# • • -
ROOM	6 JUL-3-37	ROOM			* 2,760.00 AU	# • • -
LONG DISTANCE	7 JUL-3-37	LONG DIST			* 74.30 AU	# • • -
TRANSFER FROM C. L.	8 JUL-3-37	CHARGE ACT			* 122.00 AU	# • • -
TRANSFER DEBIT	9 JUL-3-37	FORWARD			* 50.00 AU	# • • -
NEWS	10 JUL-3-37	CIG. STAND			* 47.00 AU	# • • -
PORTER	11 JUL-3-37	PORTER			* 55.00 AU	# • • -
TELEGRAM	12 JUL-3-37	TELEGRAM			* 10.40 AU	# • • -
DISBURSEMENT	13 JUL-3-37	PAID OUT			* 85.00 AU	# • • -
TOTAL DEBITS	14					
CASH	15 JUL-3-37	PAID			* 2,411.00 AU	# • • -
REBATE	16 JUL-3-37	REBATE			* 12.00 AU	# • • -
TRANSFER TO C. L.	17 JUL-3-37	CHARGE ACT			* 30.00 AU	# • • -
TRANSFER CREDIT	18 JUL-3-37	TRANS. CR.			* 100.00 AU	# • • -
TOTAL CREDITS	19					
NET DEBITS	20					
OPENING DR. BALANCE	21					
TOTAL MACHINE DR. BAL.	22					
LESS CREDIT BALANCES	23					
NET OUTSTANDING	24					

DAK 501—PAPER OF THE NATIONAL CASH REGISTER CO., DAYTON, OHIO

AFTER CLEARING MACHINE AS ABOVE, SEE THAT THE FOLLOWING ARE DONE. (CHECK EACH AS DONE.)

1. DATE WHEELS ARE CHANGED.
2. ROWS 2 AND 3 ARE CLEARED ON NEW AUDIT STRIP.
(I. E. REGISTER ALL KEYS TO SHOW ZERO.)
3. ITEM COUNTERS ARE SET AT ZERO.
4. LOWER LOCK OF ROW 1 IS LOCKED.
5. THERE IS SUFFICIENT AUDIT STRIP.

Illustration 44. Night auditor's report showing machine totals.

is removed, dated, and filed for future reference. Attention is directed to the fact that this audit sheet furnishes the management with a printed transcript of the twelve hours' business in chronological order. Should a ledger card be lost, it is possible to trace the particular card to the audit sheet and determine the amount due at the time the last posting was made.

PART III

FILING METHODS AND EQUIPMENT

It is axiomatic that a filing system (whether it be maintained in the central office or in the separate department) is worth while only when the letter, invoice, card, or other piece of copy which is being filed, can be found without any delay at the time it is desired. Needed information must be available at all times.

For a filing system to function efficiently, the following two things are necessary: (1) an efficient personnel to file the records; and (2) adequate and modern filing equipment.

The implications of the second point are that the filing equipment should be of such a type as to protect the records against loss or damage from fire, flood, or other contingency, and, at the same time, be the best possible type of equipment for the work to be filed.

To care for the files efficiently, it is assumed that the employees are thoroughly familiar with the records to be filed, and that they have a sound knowledge of the basic methods of filing which are in use. A review of the latter is presented below.

The five general accepted methods of filing are: (1) chronological; (2) alphabetical; (3) subject; (4) numerical; and (5) geographical.

Chronological Filing. The chief advantage to be gained by this method of filing (that is, by date) is simplicity. This method is generally followed in filing bills, daily or weekly reports, and other similar records where the date is of primary importance.

The chief disadvantage of the method is in the fact that the piece of copy may not be brought to the attention of the interested party until the date under which it is filed. With invoices this is important inasmuch as a firm wishing to take advantage of a cash discount for payment within a ten-day period must have the bill brought to the attention of the treasurer before the due date.

To provide for bringing the fact that the bill is due and payable, two general methods are in use.

Under the first method, a duplicate invoice is made and filed (in the same file) several days in advance of the due date. This

brings the invoice to the filing clerk's attention in sufficient time to remove it from the file and send it to the party making the disbursement. For example, a bill due the 10th of the month would be filed under this date, but a duplicate of the invoice would be filed under the 7th. The latter being removed on this date reaches the disbursing office in sufficient time to take advantage of a cash discount for payment within a ten-day period.

Under the second method, a card index file is used to bring the matter up in time for action to be taken. This is a separate file from the one in which the invoice is filed by date, and is known as a tickler file. In it are filed reminders of what matters are to be handled each day. To indicate that an invoice is due for payment if the discount is to be taken, a notation to the effect is typed or written on a card, and the latter filed according to the time when this should be brought to the attention of the interested party. The card would be cross-referenced in order to show where the original invoice might be found.

Alphabetical Filing. The title explains this method of filing. The equipment necessary is a drawer containing file guides from A to Z, with subdivisions for each letter if numerous media are to be filed, as shown in Illustration 45. This system of filing functions best where the surname is the basis for classification, such as in the filing of correspondence.

In small concerns where the volume of correspondence is not heavy, this method of filing works well; in large concerns where the volume is heavy, the chief disadvantage arises from the fact that so many pieces are filed in a single drawer under many subdivisions of the different letters that the files become cumbersome, and consequently it requires time to locate a particular folder of correspondence. For example, if a drawer contains a hundred folders with the name Brown, each a different individual, it requires time to locate the folder containing the correspondence of G. A. Brown.

Nevertheless, in spite of these weaknesses, the method is a common one, and hence the rules necessary to make such a system function with ease are to be enumerated at this time. They are as follows:

1. Surnames should be used as a basis for filing, except when a given object or institution is known by its full title, as for example, Laura Falk Foundation, or Ida Noyes Hall,

These would be filed under the letters L and I, respectively. Names such as Smith, or Jones, are filed with the surname as a basis, with the given name determining the order, thus:

Smith, Adam C.

Smith, Arthur

Smith, Bernard M.

Smith, Boris

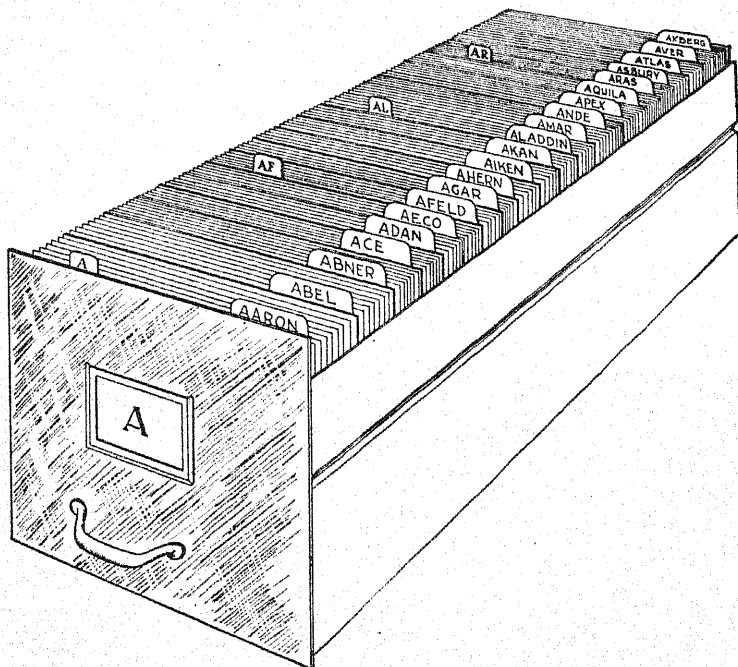


Illustration 45. File drawer showing alphabetical divisions. Pieces are filed under guides A-Z, or under subdivisions of each letter depending upon the volume.

2. The second, third, or as many letters as are necessary should be used to arrange the names in the proper alphabetical order. If, for example, two names have the first two letters the same, the third letter in either of them should indicate the order of filing. This is shown below:

Aabbott

Aagard

Aaron

Abel

Abner

3. Where single letters are used with a word or words to constitute a complete name, the letters should be treated as a part of the name, and filed accordingly, thus:

A. A. A. Team
A. B. A. Group
A. B. C. Manufacturers
A. C. E. Printers

4. When individuals have titles attached to their names, such as Dr., C. P. A., and Ph.D., these titles should determine the order of filing when the names of the persons are the same. An example is given below:

Brown, James
Brown, James, C. P. A.
Brown, James, Ph.D.

5. Names such as MacDonald, McMahan, LaPointe, should be filed as though the prefix constituted a part of the surname, thus:

MacDonald, Rosemary
McDougall, Michael
McDougherty, Patrick
McMackin, John
McMahan, Joseph
McMahill, Helene

6. When a list of names are the same but some are accompanied with initials and others with the given name, those with the initials are filed first. This may be seen in the following example:

Brown, A. M.
Brown, A. P.
Brown, A. R.
Brown, Andrea
Brown, Andrew
Brown, B. S.
Brown, B. T.
Brown, B. W.
Brown, Beatrice
Brown, Bernard

7. When the names of institutions or organizations are filed

along with the names of persons, they should be filed as though they were the names of individuals. The correct procedure is shown below:

Jones, Adam A.
Jones Corporation, The
Jones Hotel, The
Jones, Millard F.
Jones, Morton

8. The symbol used for "and," namely "&," prepositions, and conjunctions do not affect the filing order of names.
9. When a business concern uses initials as a part of its name, under directory order, this name should head the list beginning with that particular letter as may be seen in the illustration below:

A. B. Company
Aaron Burr
Abbott Company

10. In the file folder, the most recent piece of copy or correspondence should be on top. In Brown & Co.'s folder, for example, the letter received today would be filed on top of the one received two days ago. The letter received the previous week would be back of the letter received two days ago.

Subject Filing. When this method of filing is in use, all pieces of copy are filed according to the subject indicated on the copy. Arrangement of the pieces filed may be according to an alphabetical division, or according to the Dewey decimal system. If the first is used, subjects beginning with T are filed under this letter, as for example, *Tickets*, *Ties*, and *Timekeeping*, as may be seen in Illustration 46.

If the Dewey decimal system is used, all human thought and knowledge is divided into ten major classifications. Each classification is given a certain number which remains unchanged for all time. Each of the major classifications may be broken down into ten sub-groups, and each of these sub-groups may in turn be broken down into ten smaller groups. For instance, 500-599 is the major classification for science, 510 for mathematics, 520 for astronomy, 530 for physics, 540 for chemistry, and so on.

A street railway might make use of this method of filing in the following manner:

500-599—Transportation

500-509—street cars

510-519—bus lines

520-529—improvements

530-539—complaints from passengers

540-549—service department

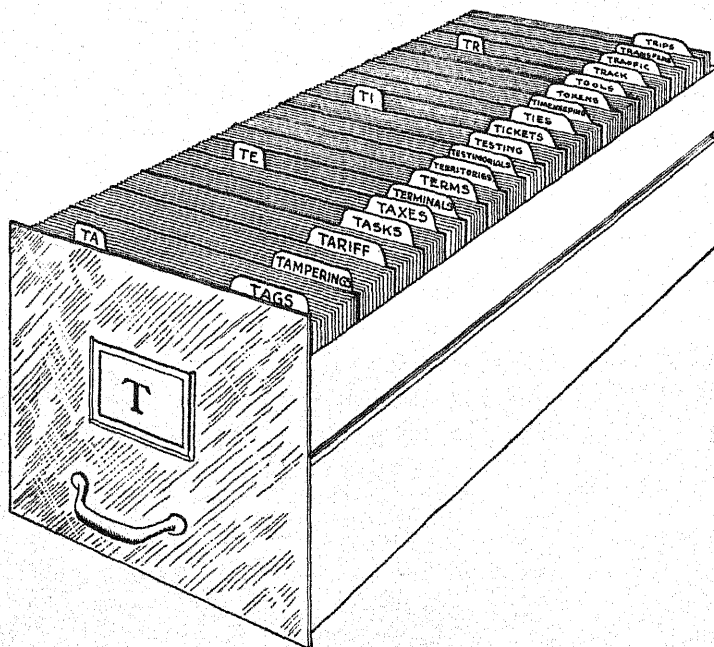


Illustration 46. File drawer showing subject divisions. Material is filed under the various subjects which begin with the letter T.

The subject method of filing can be used to best advantage by street railways, contractors, auto clubs, trade associations, employment agencies, medical societies, and by any other type of organization or business which can classify its correspondence into well-defined categories. When this method is followed, it is important that the topic headings, with sub-headings, be chosen with care. Topic headings must be logical headings, otherwise there will be confusion in filing. Cross-references are necessary inasmuch as some correspondence may relate to more than one subject.

If subject filing is in use in the central office, the office manager will assign his experienced help to keep these files.

Numerical Filing. Sometimes it is advantageous for an organization, such as a real estate agency, to have its correspondence filed under two headings; first, under the name of the correspondent and second, under the subject to which the letter pertains. Instead of using cross-reference tabs which would become too numerous and thus make the file cumbersome to handle, the filing clerk places the letters in a numbered folder. This number is then typed, or written, on two cards which are filed alphabetically in a card index under the name of the correspondent and also under the subject matter to which the letter pertains. Each card contains a cross-reference to the other.

An example will make this clear. Assume that the number of the folder is 86 and that the real estate agency receives a letter from Marie A. Thiel regarding the sale of an apartment house. The letter is placed in the folder and the latter filed in the proper place for No. 86. Two index cards are now marked 86. On one is written Thiel, Marie A., with a cross-reference to *Apartments, sale of*. The other index card will have *Apartments, sale of*, written on it with a cross-reference to Thiel, Marie A. The first card is filed under T; the second under A. During the entire period covering the transaction, file No. 86 is reserved for Thiel, Marie A., and *Apartments, sale of*.

While the preparation of two cards requires an extra step in the filing routine to say nothing of having to refer to the file before locating the folder, the fact that the method is conducive to quickness and ease in finding material more than offsets these additional procedures.

Geographic Filing. Under the geographic method, the territorial unit is the basis for filing. Such geographical divisions as the state, county, city, or salesman's territory are usually chosen. The one that is selected will depend upon whatever the company considers a satisfactory filing unit. Once the territorial unit is selected, pieces of copy are filed alphabetically thereunder, as indicated by Illustration 47.

Mail-order houses, publishing concerns, and insurance companies use this method to a large extent. If a mail-order house desires to

circularize its customers in the state of Illinois, for example, it may readily secure a mailing list from the geographical file for this particular state.

One of the disadvantages of using the geographic method of filing arises when correspondence is received from the same person from two different places. To file each piece under different places violates the principle that all pieces of copy should be kept in the same folder,

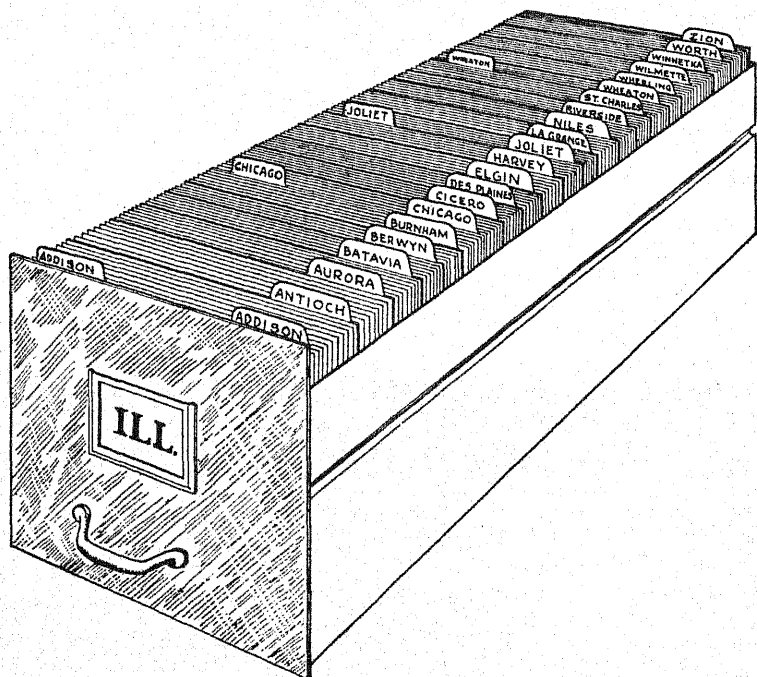


Illustration 47. File drawer showing territorial divisions. Once the territorial unit is selected, filing takes place thereunder in alphabetical order.

and yet a failure to do so may result in confusion in handling correspondence.

FILING EQUIPMENT

Steel Cabinets. Although there are various types of filing equipment in use today, the steel cabinet is undoubtedly the most logical equipment to use. It provides a maximum of safety against fire or other contingency, and is the ultimate in strength and durability. To meet the requirements of various types of business, steel cabinets may be purchased in a variety of sizes. The standard size, however,

is about 51 inches in height, each of its four drawers providing approximately 28 inches of filing capacity measuring from front to back as may be seen in Illustration 48.

Filing cabinets, as a rule, are constructed as units. That is, each cabinet is a separate unit, but it may be placed along with others to form a battery, as seen in Illustration 49. The advantage of cabinets

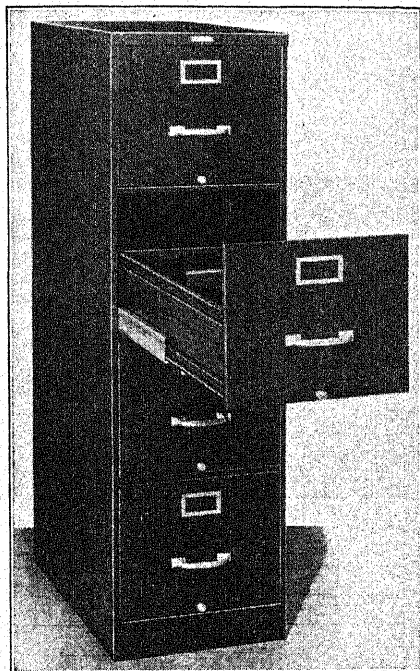


Illustration 48. Filing unit with four-drawer construction.

of this type is that unlimited expansion is possible simply by adding more units. Furthermore, uniformity is maintained thus making for an attractive filing section. Four drawer filing equipment is popular among various business houses. Aside from mercantile and manufacturing establishments, it is used by banks, investment houses, trust companies, insurance companies, and by city, state, and Federal governmental departments. All of these types of business institutions (including the governmental units for the sake of argument) are large users of filing equipment since the nature of their transactions requires multitudinous correspondence.

In addition to four-drawer filing cabinets, five-drawer ones may now be obtained. Originally there was some skepticism about their practicality because of the fact that they had to be built several inches higher, and the drawers had to be reduced somewhat in size. Today, however, these cabinets are being well received inasmuch as they provide 25 per cent greater filing space, and yet require no greater floor area than the four-drawer cabinet.



Illustration 49. File cabinets in the filing section of a central office. Each cabinet is a separate unit which when placed along with other units form a battery.

In some concerns need arises for two- and three-drawer cabinets. These, of course, are not economical for handling a large volume of routine correspondence, but they are useful in filing special pamphlets, and business or legal documents. Cabinets of this type are frequently used by executives for filing material of a personal and confidential nature. Since the two-drawer cabinet is of a height about the same as that of a desk, the top of it may be used to place a receptacle for in-coming and out-going mail. The three-drawer, being of counter height, may be used as a counter over which customers are served, or as a writing desk when papers are abstracted from the file for brief notations.

Lighting. After the most suitable type of filing equipment has been selected, bearing in mind the type of construction, the floor space available, the use to which it will be put, and the size and im-

portance of the record to be filed, consideration must be given to location. Sufficient light must be available, and the files must be accessible to those who make the most use of the material contained in them. As previously stated, the question which must be decided in each individual case is whether it is more advantageous to have all the files located in the central office, or to have only a part of them there, with the balance of them located in the various departments.

Inactive Material. Material in folders in the files which has become inactive should be either transferred to an inactive file or destroyed. Definite policies as to what material is inactive must be laid down by the management of the business, as the office manager cannot be expected to be responsible for transference and destruction of material other than that of the most routine character.

To work out a basis or policy regarding transference and destruction of media in the files, all material may be classified as follows: (1) records which relate to the organization, management, and chartering (if a corporation) of the company; (2) periodic reports relating to the status and operating condition of the company; and (3) records which are of a routine nature.

The first include organization charts, organization manuals, minutes of directors meetings, the charter issued by the state, and others of a similar type. These should never be destroyed.

The second include balance sheets, profit and loss statements, income tax reports, social security tax reports, undistributed profit tax reports, and many others of a similar nature. Records of this kind constitute a "history" of the business in many respects and while they need not be maintained indefinitely in the active files, transference to inactive files where they remain as long as the business continues is a proper procedure.

Material found in the third category is that of a routine nature. The office manager should see that it is transferred from active files to inactive files just as soon as it has served its purpose. From the inactive file, it may be taken later to the incinerator and destroyed. The time it should be kept, however, may depend upon the legal necessity for retaining records for a certain period of time. In the case of receipted invoices, the Statute of Limitations may be the criterion. This Statute sets the time within which suits must be brought to collect on an open account receivable. It varies according

to the different states but if no suit has been brought within the time limit prescribed it is safe to destroy the receipted bills.

Files containing correspondence may be destroyed periodically, say at the end of each fiscal year, providing no need arises for keeping the correspondence.

Inactive files need not be maintained in the central office if centralized filing prevails nor in the various departments if decentralized filing is in vogue. Space may be rented in a public warehouse at a cost less than that which may have to be paid for office space. On the other hand, there is usually a certain amount of undesirable floor space in every office which may be utilized for the inactive files. The type of cabinets used for this purpose need not be of the more expensive steel kind. Out-modeled cabinets of wooden construction can often be used for this purpose, or in lieu of these, heavy pressed board filing drawers serve the purpose quite satisfactorily in many cases. Attention is directed to the fact, however, that although the equipment used for storage of inactive material need not be of an expensive nature it should be of sufficiently sound construction to protect the material stored against dust, vermin, and deterioration through atmospheric conditions.

VISIBLE RECORD EQUIPMENT

Features of Visible Equipment. Inasmuch as visible filing equipment differs from standard filing equipment, it is discussed in a

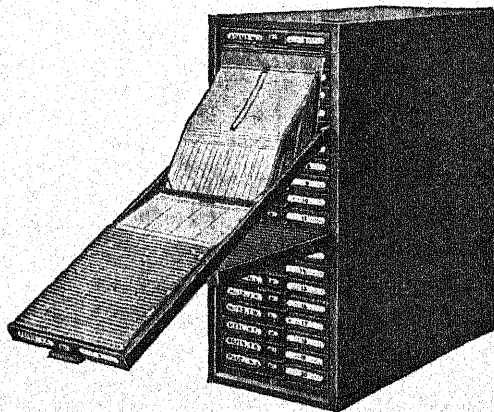


Illustration 50. Visible filing cabinet, showing drawer containing cards. Note how the cards turn back thus enabling all data on desired card to be read.

separate section. The main feature of this type of filing equipment is that the name, record, or information which is being sought can be located with dispatch, since the name can be seen at a glance.

Information sought in the files is brought to the attention of

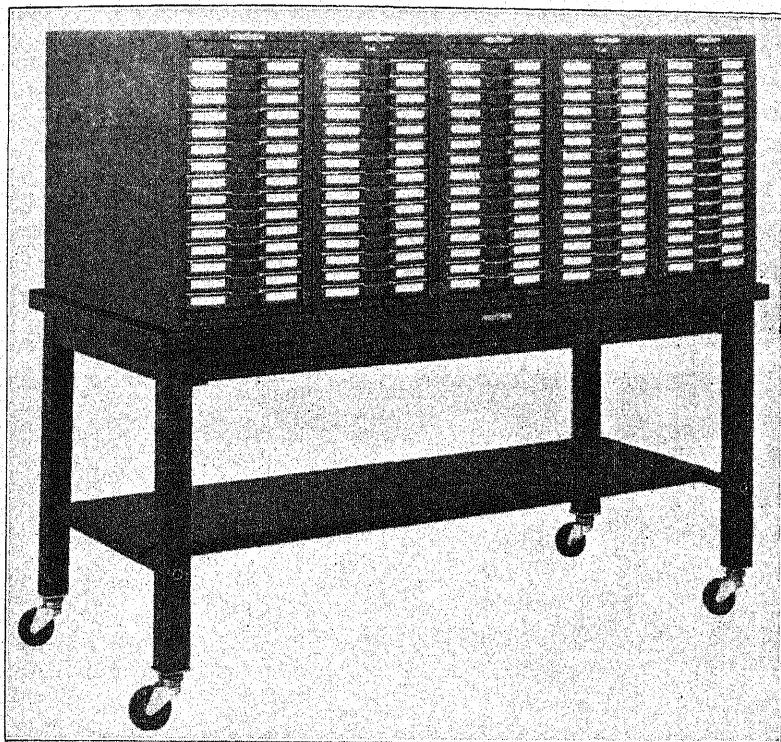


Illustration 51. Visible record cabinets placed side-by-side to form a battery. A movable stand enables the cabinets to be moved to any desired location within the office.

the user by means of various kinds of signal devices. This is made possible in the case of the cabinet type of visible equipment by fastening cards in shallow trays in such a manner that they overlap, but so spacing them that the lower edge of each card is exposed. When the tray is pulled out, this position shows the name and any signal device attached to the card.

The tray cabinet just mentioned is the most common type of visible equipment. It is compact and of steel construction, as shown in Illustration 50. Record cards for cabinets of this type may be 5 to

15 inches in width. They are made to conform to the requirements of the user, both sides being visible and used. When turned back, they fall of their own weight, making it possible to turn them with one hand, thus freeing the other hand for the handling of media which is being compared with the card. The number of trays in each cabinet ranges from 6 to 20 as a rule. A large cabinet with a depth

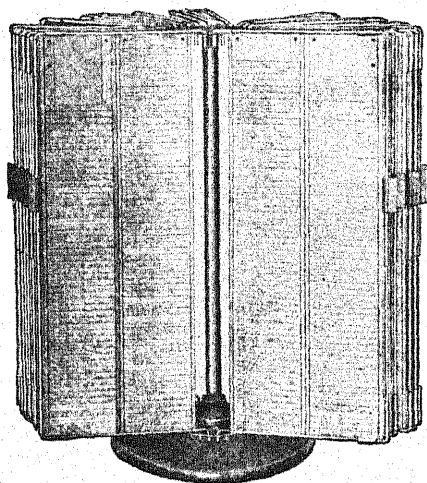


Illustration 52. Visible records on a revolving stand enable the file clerk to select data quickly and easily.

of 24 inches will hold as many as 1,900 cards. Any number of cabinets may be placed side-by-side to form a battery as shown in Illustration 51.

Another type of visible equipment is the revolving stand. This type of equipment holds the cards in a manner similar to that of the tray cabinet, except that the cards are on both sides of a slide. As the name implies, the slides are hung on stands and so fastened that they may be turned to facilitate reference and entering data thereon. Slides are indexed in order to speed up reference to them. The revolving stand, Illustration 52, is indispensable to concerns or organizations which make many references to their records, and where speed in finding necessary information is essential. Equipment of this type is often found in use by information departments of telephone companies, credit departments of retail stores, and by banks which use it for signature cards necessary in verifying signatures on checks.

Although there are standard types of visible record systems, it is usually advisable for the user to have a manufacturer of this equipment design and install a system which meets the exact requirements of the business.

Some of the special applications to which visible equipment may be put are as follows:

1. To signal limits of credit to customers, and to show whether accounts are up-to-date or past due.
2. To signal minimum, maximum, and ordering points for inventories; and to show the names and addresses of sellers, and their quotations.
3. To provide information about employees relating to training, experience, departments worked in, and other pertinent data.
4. To show memberships in clubs, or other organizations, the contributions made by the various members, and other data.
5. To signal due dates, payments of notes, and collections of interest on loans made by loan companies and banks.
6. To signal the kind of progress salesmen are making with the various lines of merchandise being sold.



THE TYPEWRITER WAS THE FORERUNNER OF MANY INVENTIONS FOR THE OFFICE
Accounting machines and duplicating equipment employ its fundamental principles.

PART IV

DUPLICATING METHODS AND MACHINES

Place of Duplicating Equipment. For duplicating machines or equipment to find a place in a business organization, it must be shown that they save time, money, or provide greater accuracy. Any one or all of these factors may be present.

Time. Time is saved because it is possible to duplicate faster than it is to make original copies. This may be true even though the number of copies required may not exceed a dozen. The reason for the economy in time is found in the fact that the method of preparing the original copy from which duplication takes place is simple. Furthermore, time required to set up the duplicator for duplication is usually commensurate with the number of copies required. For only a few copies, a simple process is available and the time required to duplicate a dozen or more copies is short. For 100 to 1000 copies the time required to prepare the equipment is, perhaps, slightly longer, but the speed of turning out the copies more than compensates for this. If 2,000 to 5,000 copies are wanted, the time to prepare the copy and set the machine is, of course, proportionately longer, but the printing takes place at a rapid rate, again compensating for time required to prepare the machine.

Saving. Duplicated forms as compared with printed forms may bring about a saving for several reasons. In the first place, to secure low prices for printed forms it is necessary to buy in quantity, since much of the cost of printing is in what is known as the *make-ready*. This involves the setting of type, locking it in forms, and putting the forms on the presses. The process, in general, is long and involved, as compared to most duplicating processes.

Since the duplication process is a flexible process, fewer forms need be kept on hand, inasmuch as a new run may be made with a new original at a cost which is likely to be under the extra expense incurred when a large amount of money must be tied up in large stocks of printed material. Obsolescence of the latter may also occasion loss, all of which may be avoided by duplicating on the desired quantity at each run.

Accuracy. Once a master copy has been approved, duplication is the same for each succeeding copy. In the process of preparing the master copy, errors are eliminated, and usually there is sufficient

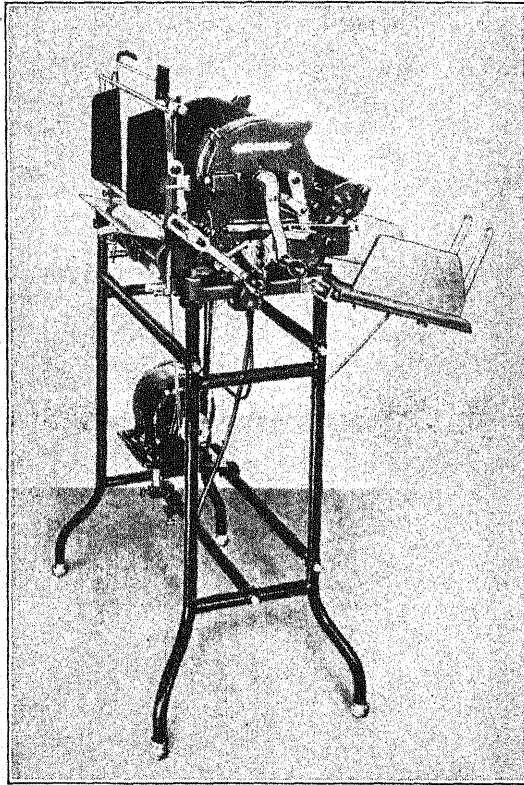


Illustration 53. Multigraph used for duplicating letters. It produces from 3,000 to 5,000 signed letters per hour, and is equipped with a power drive, an automatic friction paper feeder, and a signature device.

extra care to insure that correct English and good sentence structure prevail.

Type Duplicators. The Multigraph, Illustration 53, employs printing fundamentals in duplicating. The three printing elements necessary for this type of work are as follows: (1) the type, embossed strip, or plate by which the printing is done; (2) the various bases which hold the type, strips or plates; and (3) the ribbons or inked rollers which produce the inked impression.

Illustration 54 pictures some of the different kinds of type which may be used in this duplicating method. The "loose" type is of an alloy composition; printer's type which also may be used is the same as that found in any print shop with the exception that it is shorter. "Loose" type comes in metal tubes which hold on an average 100 characters each. The type may be loaded directly from

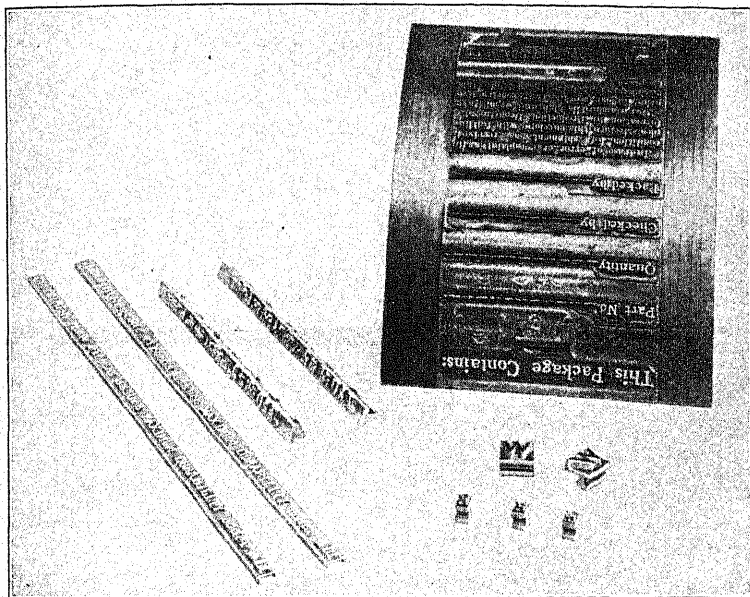


Illustration 54. Printing elements used on the duplicating machine—the Multigraph. Loose type, aluminum strips of type, line-cast slugs and an electrotype printing plate are shown in this illustration.

these tubes into typesetters, Illustration 55. The latter hold the type and facilitate its composition for printing and its distribution after the printing has been done as shown in Illustration 56.

Embossed strips, Illustration 57, may also be used for printing instead of type. These are made on a special machine which embosses the letters on a continuous roll of aluminum tape.

Printing plates or curved electrotype plates, which may be mounted on the printing base, save time in that composition of type and distribution of it after use are eliminated. Furthermore, when the plates are used, it is possible to incorporate illustrations along with the regular type matter.

Bases which hold the type, embossed strips, or plates are of various kinds, depending upon the need. These may be seen in Illustration 58. The standard base has horizontal channels into

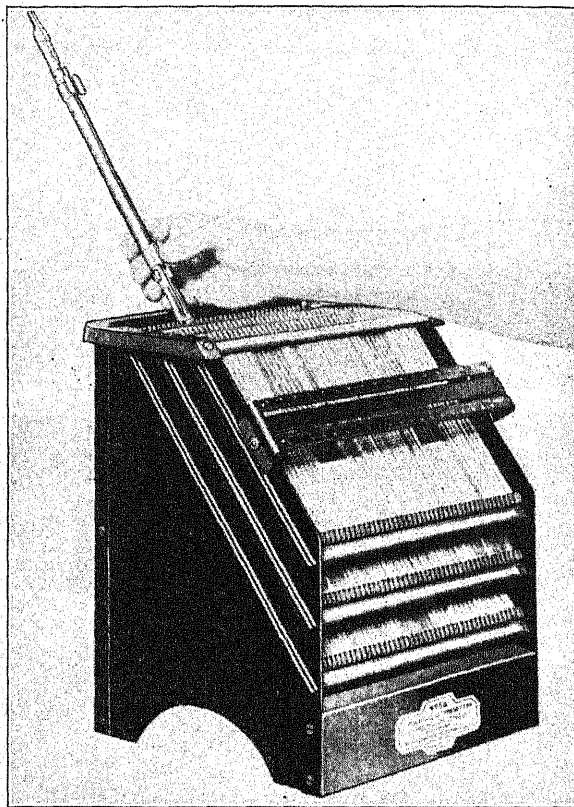


Illustration 55. Type for the Multigraph is distributed into the typesetter, by the use of the combination composing distributing fork, after it has served its purpose.

which the type may be inserted or to which the electrotpe plates may be fastened.

Ribbons through which type impressions are made are designed to accomplish the following: (1) uniformly clear impressions from all parts of the printing area; (2) to permit replacement of ink to all parts of the ribbon immediately after the printing impression is made; and (3) to withstand severe usage.

When ink is used instead of ribbons, the printing process takes

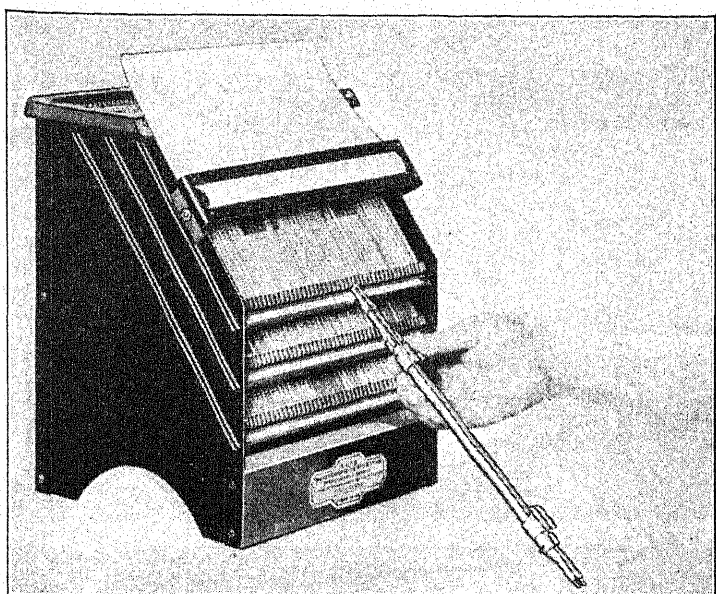


Illustration 56. Type is set by using a composing fork, selecting the desired character from the rows of the various letters.

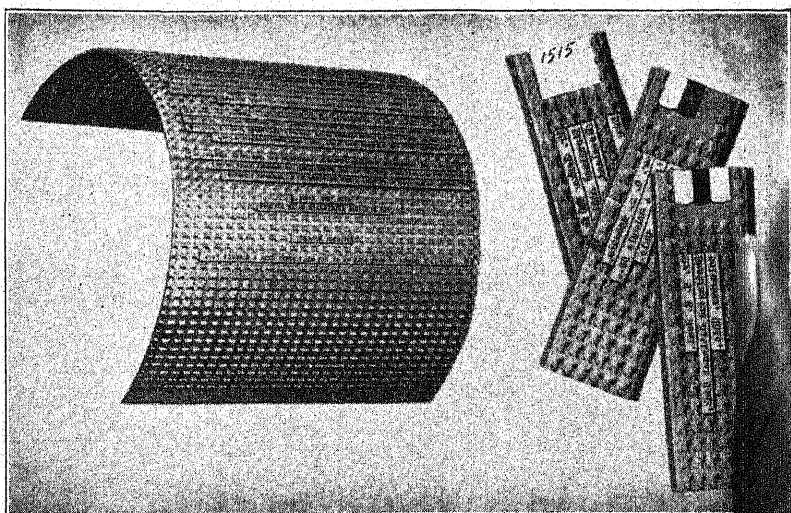


Illustration 57. Characters stamped into aluminum strips are automatically assembled onto blankets which are then mounted on the Multigraph drum or segments.

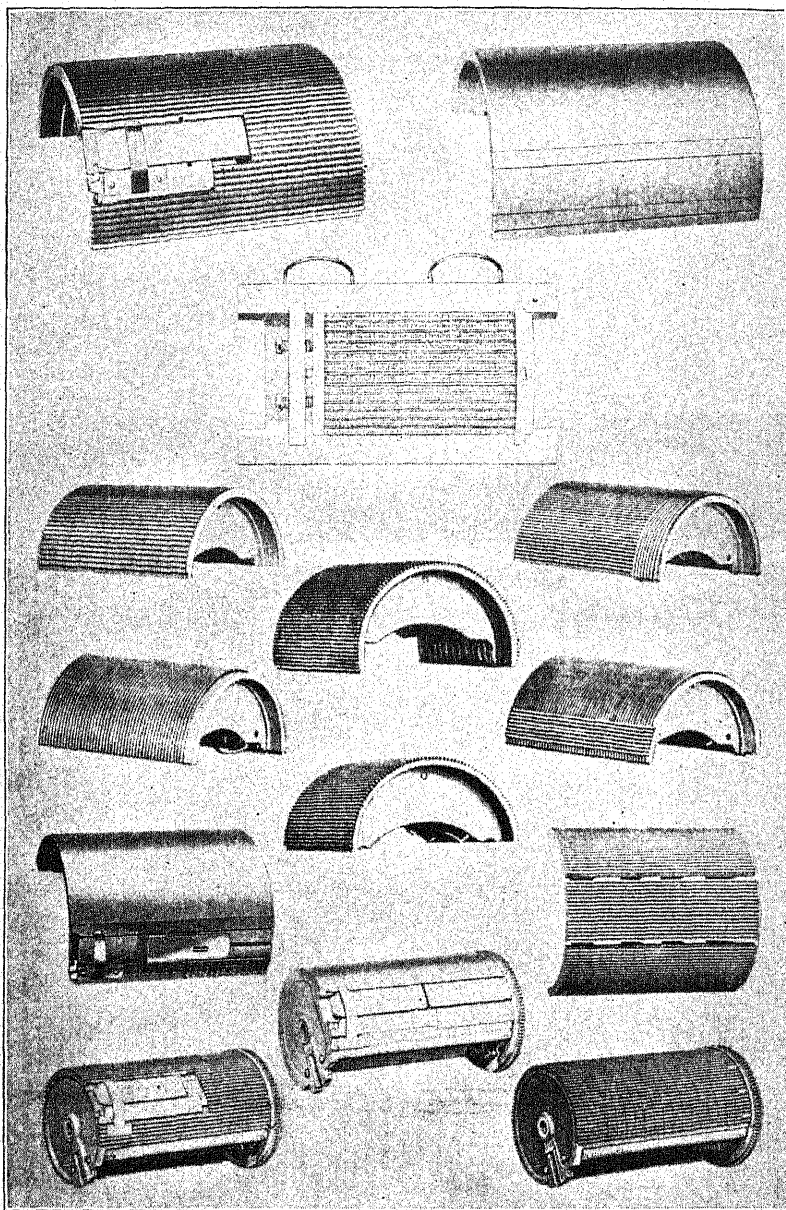


Illustration 58. A variety of drums and segments used for holding the different kinds of printing elements—type, embossed aluminum strips, and printing plates.

place by inking rollers. One method is to ink the upper roller by hand, and this in turn inks the lower roller which distributes the ink over the type. Other inking mechanisms, more or less automatic in nature, utilize as many as eleven rollers.

Various Models of Printing Duplicators. There are various models of printing duplicators available. The hand-operated model, as shown in Illustration 59, is used when a limited quantity of copies are desired. The duplicating is in typewriter form only. Paper

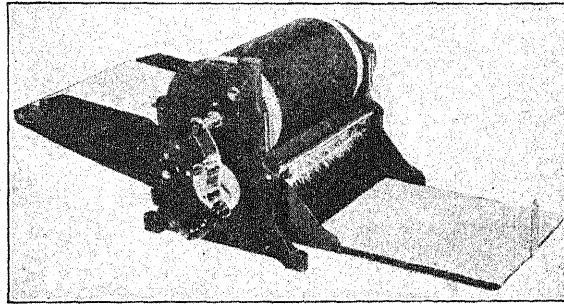


Illustration 59. Hand-operated Multigraph which prints typewriter characters, reproducing as many as 2,000 letters per hour.

is fed manually and the size of sheets may run as large as 9 x 15. The printing area is 7½ inches when a ribbon is used and 8 inches when the printing is done with ink. The length of the printing page is 13½ inches in either case.

The hand-operated model serves as a base to which other mechanical units and attachments may be added in order to obtain various models of the duplicator needed for different purposes. The Multigraph model, shown in Illustration 53, consists of the basic hand-operated model with a motor added to make it a power-driven machine. A friction paper feeder moves the sheets into printing position. A signature attachment signs the letters as they are duplicated, but in a different color of ink.

Specific applications of the Multigraph process of duplication may be found in almost all departments within an organization.

For example, the production department duplicates, by means of the process described, such forms as: specifications, time cards,

inspection slips, instructions to workers and foremen, material requisitions, and packing tickets.

Examples of its use in the sales department may be found in the preparation of typed bulletins or letters, announcements, price lists, price change sheets, house organs, and other promotional data.

The accounting department may find a need for this type of duplication in making up such forms as: stock sheets, order blanks, inventory sheets, vouchers, and ledger pages.

Included in the specific pieces of printed matter prepared by the Multigraph process are the following: letterheads, envelopes, booklets, folders, blotters, inserts, bags, wrappers, sample swatches, and novelties.

Examples of work done upon the Multigraph are shown in Illustration 60.

Stencil Duplicators. The mimeograph employs a stencil in the duplication process. The three printing elements necessary for this type of duplicating are: (1) a stencil sheet; (2) a base or drum to which the stencil is attached; and (3) an inked pad to provide the ink with which to make the impression.

The stencil is *cut* on the typewriter. This is done by throwing the stencil lever on the typewriter into position thus preventing the ribbon from making contact with the typewriter key. Consequently, when the key strikes the stencil a character is cut. Ink flowing through this cut portion makes an impression on the sheet.

The stencil is wrapped around the drum to which is attached a pad. Ink is fed through the pad from an ink chamber within the drum.

Illustration 61 pictures a mimeograph. This machine feeds the paper automatically, permits of various speeds (50 to 150 sheets per minute) and controls the number of copies to be duplicated by means of a control recorder. The latter is set for the desired number, and when this total is reached a bell rings and the machine feed stops.

Applications. Anything which can be written on the typewriter can be duplicated by means of a stencil and the machine. Or, by using a stylus to cut the stencil sheet, it is possible to make drawings thereon through which the ink will flow. The latter are frequently used in combination with typed material.



Illustration 60. Samples of work which may be done on the Multigraph.

Gelatin Duplicators. The elements of duplication by means of gelatin are two: (1) copy prepared by use of special inks, ribbons, or pencils which are indelible in character, and (2) a gelatin bed.

The master sheet is typed, written, printed, or drawn. It is then placed on the gelatin bed where the natural copies of this substance dissolve the special inks on the master copy and absorb it. The length of time required for this operation is short—one or two minutes. The

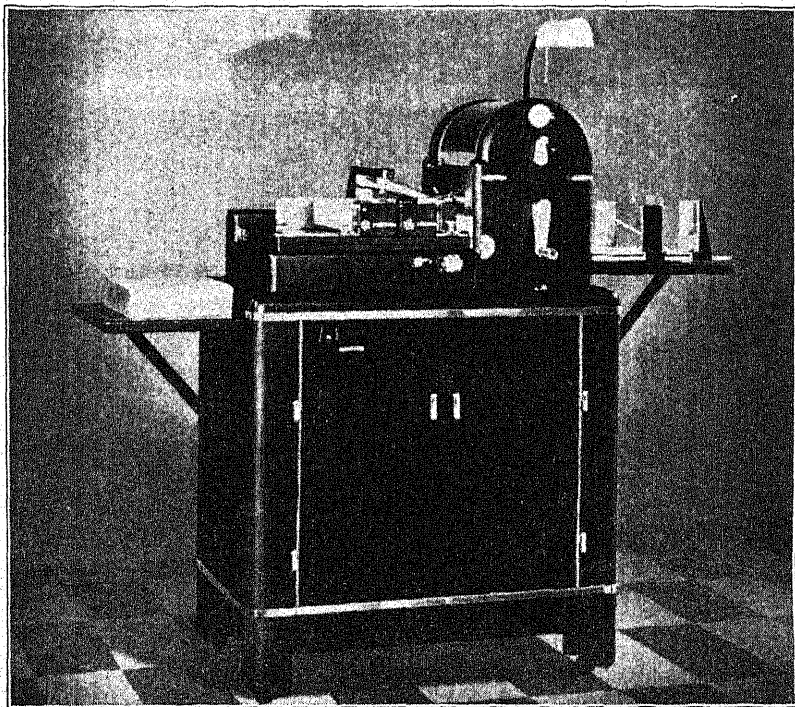


Illustration 61. A current model of the mimeograph. The machine is electrically operated. Note the tendency to streamlining even in the design of office equipment.

more ink absorbed the heavier the impression will be on the duplicated copies and the greater the number which can be prepared.

Special duplicating inks in color are available, but blue or red are favorite colors. Black or dark colored inks are not satisfactory for making master copies.

Duplication by means of the gelatin method is often resorted to when a limited number of copies are needed without delay. The number of legible copies that may be made from the master copy

varies, but legibility is influenced by the heaviness of the impression taken by the gelatin, and the care with which the master copy is transferred to the gelatin bed.

One type of gelatin duplicator utilizes rolls made from a gelatin composition. A sliding carriage moves back and forth on the portion

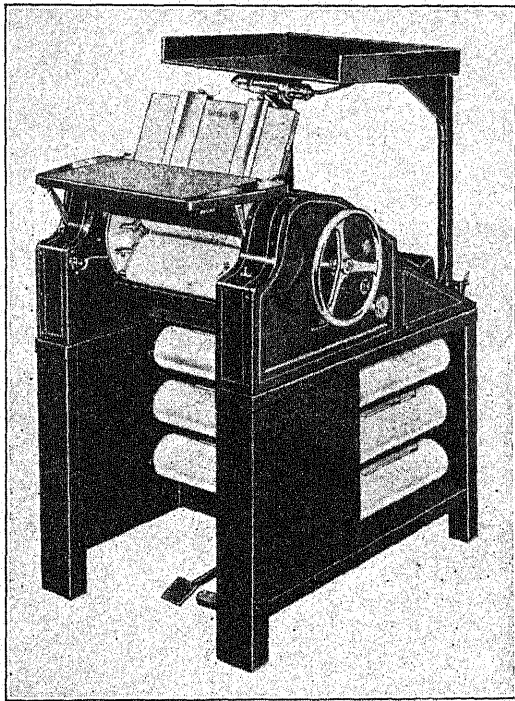


Illustration 62. Gelatin type duplicator called the Ditto. It utilizes gelatin rolls, and sheets of paper are fed automatically into the machine. The machine is power operated.

of the roll that is stretched across the bed of the stand. As it does so, it feeds a sheet of paper which contacts the impression on that portion of the roll which is flat. When the carriage is returned, the copy is pulled away from the impression made, and ready to be laid aside momentarily to dry.

An electric model of this same type of gelatin duplicator is shown in Illustration 62. Instead of pushing the carriage back and forth on this model, pressure on the pedal causes a cylinder to revolve, thus printing the sheet in contact with the master copy. After copies have been made, the roll is moved forward leaving a clean portion for

the next master copy. The ink remaining at the place of the old copy sinks into the gelatin and by the time this portion of the roll again comes up for use the surface is satisfactory for another inking from the master copy.

Duplication by means of the gelatin method and by the machines illustrated is not confined to any particular kind of record or report. The process has been used to illustrate salesmen's bulletins, to make extra copies of letters, to prepare maps and charts, price lists, ruled



Illustration 63. The Fanfold is used to duplicate forms (especially customer's orders) by use of an ordinary typewriter to which a stand containing forms, interleaved with carbon paper, is attached.

forms, drawings and graphs, advertising layouts and many other kinds of copy. In instances where the copy required is not to be of a permanent nature, and does not have to be used to impress those who receive it, the gelatin method offers a low cost method of duplication.

Fanfold Duplicator. The Fanfold, Illustration 63, is used primarily to write duplicating invoices. Consequently, it may be classified as duplicating equipment. Continuous Fanfold forms in as many as 500 to 2,000 sets may be run continuously through this machine. Through the use of carbon paper, as many as 12 duplicate copies of the invoice may be made at one writing.

Forms run through the machine need not be of the same size. If desired, two forms may be carried in the machine at the same time.

Essentially the Fanfold duplicator is made up of a typewriter

unit with which to describe and price the items billed, along with other required data, and an attachment for holding the forms. In some instances, the attachment and typewriter are built as one single unit; in others, the two elements are separate and the machine may be reduced to its typewriter base merely by removing the attachment.

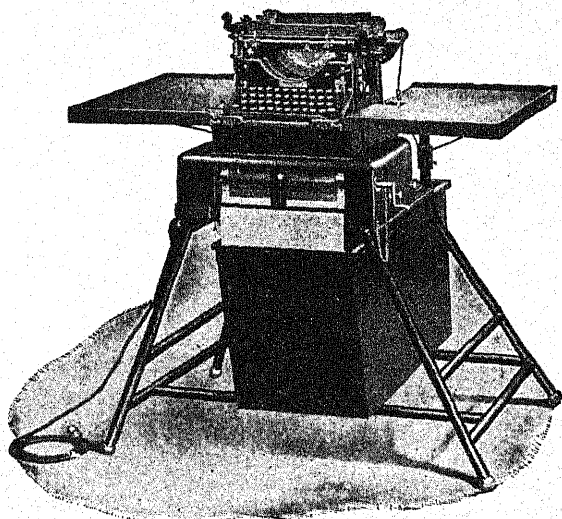


Illustration 64. The automatic typewriter duplicates letters in a form equivalent to the original copy by means of a cut roll similar to that used on a player piano.

Firms which require several copies of a purchase order frequently make use of the Fanfold. In the meat packing industry, orders are written up on the machine as soon as received, six copies being prepared. Two copies are sent immediately to the loading platform for the release of the merchandise, one copy goes to the customer, one to the department which sold the bill of goods, another to the accounting department; and if the sale was made through a branch house, one copy of the order is sent there.

As previously stated the duplicated forms going through the machine need not all be of the same size. Hence, it is possible, by reducing the size of the forms going through the machine, to type information on the first copy which is not recorded on the other forms. The purpose of this procedure is to provide the necessary information needed by the department or person who is to receive

the copy of the order but to eliminate it from forms where it is not needed or where it might disclose confidential information, such as cost price data.

Automatic Typewriters. The automatic typewriter, Illustration 64, is a type of printing duplicator. It duplicates letters on the typewriter at a high rate of speed from a master roll.

The elements necessary for its operation are: (1) a perforating machine; (2) a machine roll; and (3) a typing unit. The perforating machine, used to prepare the roll for the typing unit, has a standard typewriter keyboard. As a key is struck on the keyboard, a corresponding key is actuated which perforates the roll. By means of this method, an entire letter is transferred to the machine roll in the form of perforations.

The roll is then bound around a drum or cylinder in the typing unit. As it revolves, electrical impulses coming through the perforation actuate the corresponding key of the typing unit, thus printing the same characters as were originally transcribed.

Letters produced by this means are the same in appearance as the original. Headings are typed in by the machine operator who is usually able to do this work and at the same time look after a battery of three machines.

While the letters produced by this method are about three times as fast as can be written by a regular typist, the method is slow and costly in comparison to other methods of duplication.

ADDRESSING MACHINES

Addressing machines employ printing fundamentals, also, in duplicating, since the primary purpose of these machines is to imprint information previously recorded on various types of metal plates or stencils.

The elements necessary for the functioning of addressing machines employing metal plates are four, namely: (1) a metal plate into which the data to be reproduced is embossed; (2) a frame to hold the plate; (3) a ribbon for the impression; and (4) a machine to contact the plate with the paper.

Metal Plates. Addressing plates are made from either zinc, metal alloy, or aluminum alloy. The latter has the advantage of being durable and light. They are made in a variety of styles.

Frame. The metal frames used to hold the plates are designed to meet the needs of the user. In one group are found those which are made of a single piece of metal with a capacity of four to eight

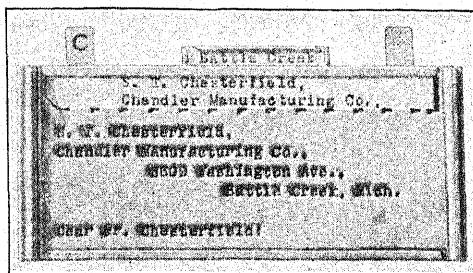


Illustration 65. A one-piece Addressograph plate with index card and tabs at the top.

lines of matter embossed thereon. The plate and frame in this case are a single unit.

In the second group the frames are of the card index type.

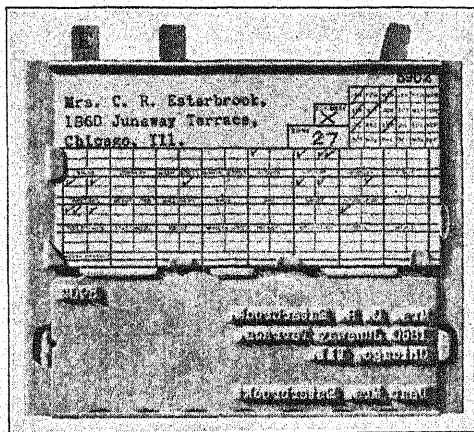


Illustration 66. Addressograph plate and record card. The latter is used to record current data concerning the status of the person whose name appears on the plate. Tabs at the top are used for filing and selecting. The one at the right indicates whether the account of a customer is active or inactive, depending on its position as it pivots.

Metal plates, frames, and index cards are separate units. Frames in this group hold several sections of plates thus enabling changes in various lines to be made without disturbing the remaining lines of embossed material. Index cards printed from the embossed plate

are incorporated into this type of frame, thus giving legibility to typing units and facilitating file reference for changes and additions.

The third main group of frames include those used to hold record cards. This frame is similar to the one used in the index group, with the exception that it is larger. Consequently, it holds a

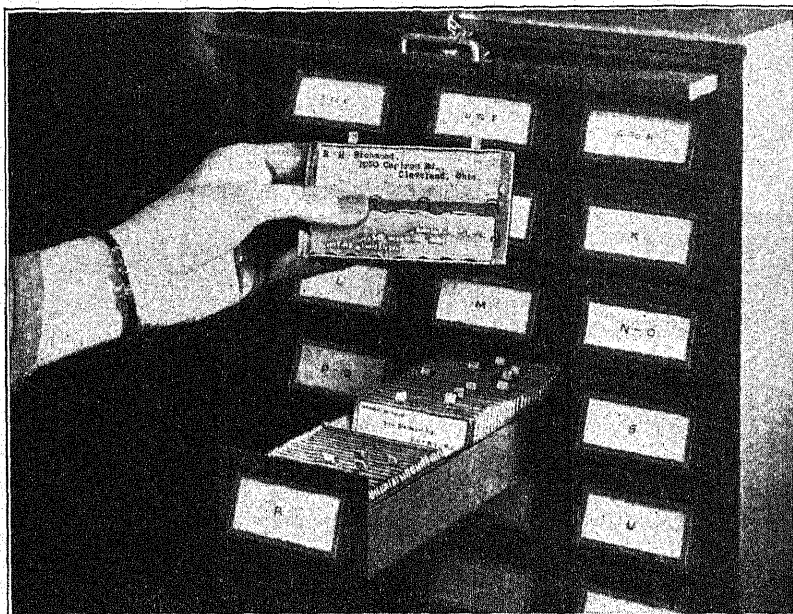


Illustration 67. Cabinet for addressing machine plates. Since these plates may be filed like correspondence, it is easy to remove the desired one when wanted.

card upon which may be recorded information concerning the use of the plate, or the data embossed thereon.

Illustration 65 shows a one-piece plate; Illustration 66 shows a regular card index typing unit.

Filing. Addressing units (plate, index or record card, and frame) are kept available for use in files, similar to those shown in Illustration 67.

The units are classified for use by means of tabs which are locked into the frame at the top. These tabs come in numerical, alphabetic, colored, and plain styles. By combining the tabs it is possible to make multiple classifications of the units. These classifications are practically unlimited as to number.

Tabs not only enable the units to be classified, but they make for quick selection of desired units from the entire group, either by sight or by means of the addressing machine. Illustration 68 shows various kinds of tabs in use.

Embossing. Metal plates are embossed on machines having a typewriter keyboard, or those having an indicator wheel. The latter require that the die be brought into the desired position for

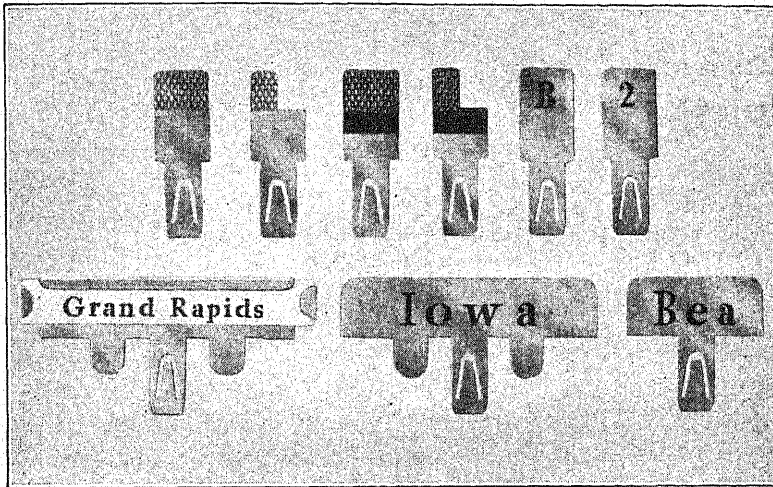


Illustration 68. The kinds of tabs illustrated are: Bottom row: removable label tab, state tab, and alphabetical tab. Top row: plain tip tabs and color tip tabs, full-faced and notched, alphabetical and numerical tabs.

stamping the letter contained thereon. This operation is done manually. Machines with typewriter keyboards emboss automatically as the keys of the keyboard are struck. The embossing machine shown in Illustration 69 has the typewriter keyboard.

Machines. The machines used to bring the metal plate in contact with the ribbon and create an impression upon the form are of three basic types, namely: (1) hand models; (2) electric models; and (3) automatic models.

A hand-operated model is shown in Illustration 70. To operate this machine, the frame containing the plate is inserted beneath the ribbon in the space provided at the front of the machine. The form to be stamped is placed in the desired position on top of the ribbon. Next, the stamper arm is pulled forward contacting the plate with the ribbon and imprinting the data thereon on the form.

Electric model addressing machines incorporate the basic features of the hand-operated model. The printing capacity, however, consists of file drawers of frames, which are inserted and ejected mechanically, and the roller platen is operated by means of an electric motor. A machine of this type is shown in Illustration 71.

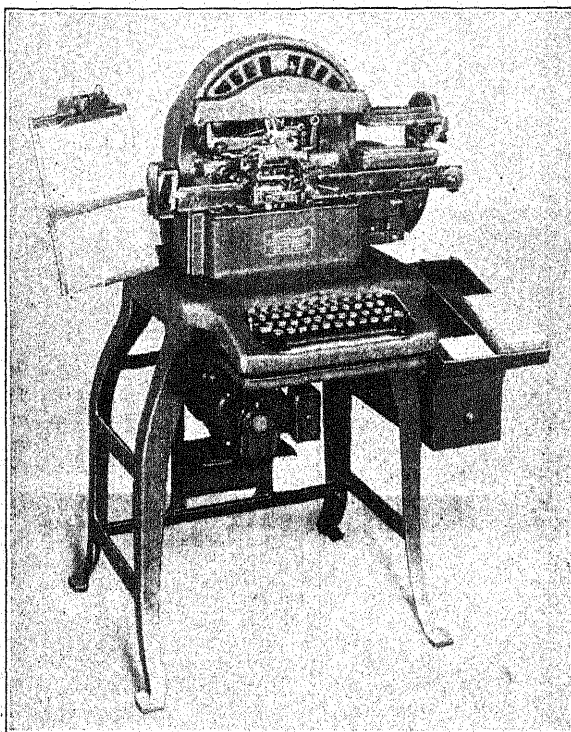


Illustration 69. Device called the Graphotype. It is on this machine that characters are embossed on the addressing machine plates. The latter may be embossed at the rate of 500 to 1,000 per day.

The automatic model addressing machine operates at high speeds without interruption. This means that there is no stopping to reload the magazine with the file drawers containing the frames. Forms are fed and ejected automatically.

Mechanical Devices. Various attachments are available for performing different operations on the addressing machine. Some of these are described below.

Cut-off Device. The cut-off device prevents a portion of the

plate from contacting the ribbon. Hence certain parts of the embossed data may be eliminated. For example, an Addressograph plate may contain in addition to the name and address of a person a salutation such as "Dear Mr. Smith." When form letters are being addressed, this plate provides the inside address and the salutation. However, when the envelope is addressed, the salutation is, obviously, unwanted. The cut-off device prevents the printing of the latter.

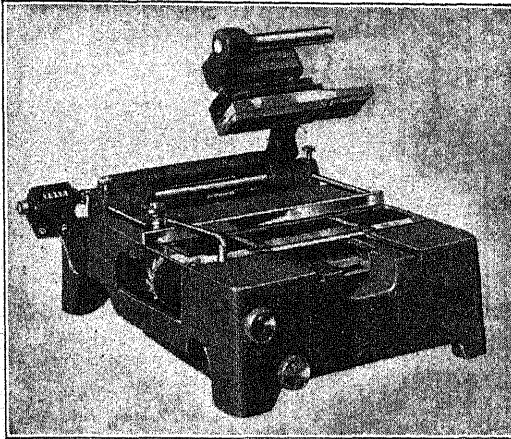


Illustration 70. Hand-operated Addressograph of simple design, with five figure counter attached. This unit is the base for many other models many of which are electrically operated.

Selective Devices. As previously stated frames may be selected from the file either manually or automatically. If automatic selection is desired, this may be accomplished by attaching a selector bar to the machine. When set to print tabs, every plate that carries a tab in a position corresponding to the one in which the pin has been inserted in the selector bar will print. When the selector bar is set to skip tabs, the mechanical effect is to throw off the printing arm and not print the impression.

Lister. The lister is an attachment which enables the operator to run off lists from the addressing plates rather than limiting the operation to the stamping of a single form. Listing may take place on ruled looseleaf forms, on cards, or on continuous strips or rolls of paper.

The lister is used to prepare lists of delinquent accounts from files containing the names of customers, especially when the merchandise was sold on the installment plan; to prepare lists of stockholders entitled to receive dividend checks; and to prepare lists of employees on the payroll, as well as for other similar applications.



Illustration 71. A heavy-duty addressing machine (Addressograph) used for hand-feeding of forms of all descriptions. Note how a drawer of Addressograph plates may be inserted upright in the machine and thus fed automatically in accordance with the wishes of the operator.

Duplicators, and Repeaters. Duplicators hold the frame in printing position until the impression has been duplicated, whereas repeaters hold it in position until as many forms have been printed as are desired.

Other Attachments. Attachments which may be used on an addressing machine include the dater, numberer, counter, and locker.

The first of these attachments automatically prints the date as the impression is made from the plate; the second one numbers each form that passes through the machine; the third attachment counts the forms run through the machine; and the locker locks the stamper arm when the magazine is empty.

Applications. The addressing machine method may be applied to the work done in practically all departments of a business. In the *sales* department, it is used to fill in the name, address, and salutation of letters, to print the name and address on envelopes, and to print announcements, bulletins, and price lists.

In the *accounting* department, it may be used to head up statements, ledger pages, to imprint inventory cards or forms, and to make up time cards.

In the *personnel* department, it may be used to print the name, address, and other desired information about the worker upon the employment records.

The *shipping* department may employ addressing machines for printing names and addresses on bills of lading, route sheets, labels, shipping envelopes, tags, and other necessary forms.

The *collection* department frequently makes use of this equipment to head up bills, collection letters, follow-up letters, premium notices, and receipts.

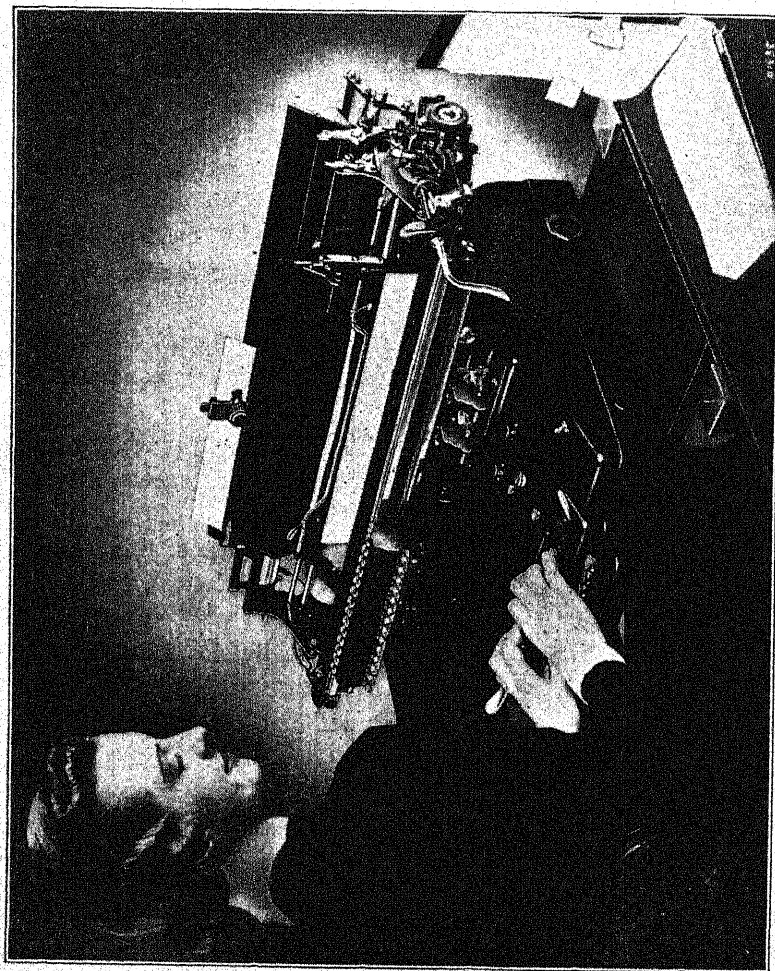
Advantages of the Method. Since the addressing machine imprints from embossed plates, impressions are always the same. Therefore, errors in names and addresses, as well as other necessary data on the plate, are impossible.

The plates are sufficiently durable to afford protection against loss of valuable data from wear, water, and in most instances fire.

The fact that the plates require a single stroke of the stamper arm to imprint all data thereon speeds up the preparation of all forms.

Correction or revision of embossed information may be made by inserting new sections when plates are of the multiple section type, or by embossing over old single section plates.

Summary. The addressing machine method of duplication results in economy in time in preparing forms requiring essentially the same identifying data. Given sufficient volume, the method lowers costs over hand-written methods.



MANY YOUNG PEOPLE ARE FINDING THEIR PLACE IN THE BUSINESS WORLD AS OPERATORS OF ACCOUNTING MACHINES

PART V

MISCELLANEOUS TYPES OF OFFICE EQUIPMENT

ADDING MACHINES

Full-Keyboard. All the adding machines on the market (and there are many) are serviceable, and useful in the performance of accounting and clerical work.

The principal difference in the types of adding machines is in the keyboard, of which there are the full-keyboard and the ten-keyboard. The full-keyboard type uses a separate key in each column for the setting-up of a digit in the machine. The number of columns varies with the capacity of the machine but each column always has keys for digits 1 to 9, but an extra key for the cipher is unnecessary.

Other features of full-keyboard machines include the following:

1. Numerical order is determined by keyboard columns, hence it is immaterial which digits are set up in the machine first.
2. Ciphers and punctuation marks are printed automatically.
3. Keys depressed are visible until the adding operation releases them. Consequently, errors may be corrected before adding.
4. A number of keys may be depressed at one time. Thus it becomes possible to depress keys to add, say 124, in a single operation.
5. Repeat keys enable the operator to add consecutive numbers without having to reset the keyboard each time.

Ten-Keyboard. The ten-keyboard adding machine, Illustration 72, has ten keys containing digits from 1 to 9, and a separate key for the cipher. These keys are used over and over again in setting up the required numbers just as is done with the numerical and digit keys on a typewriter. Features of these machines include the following:

1. Columnar order and horizontal position of numbers are automatic.
2. A touch method of operation is possible, since all keys are so arranged that they may be covered with the spread of the hand.

CALCULATING MACHINES

While it is possible to add on calculating machines, this type of equipment is used primarily for subtraction, multiplication, and division.

Types of Calculating Machines. There are two major types of machines capable of performing the four fundamental arithmetical

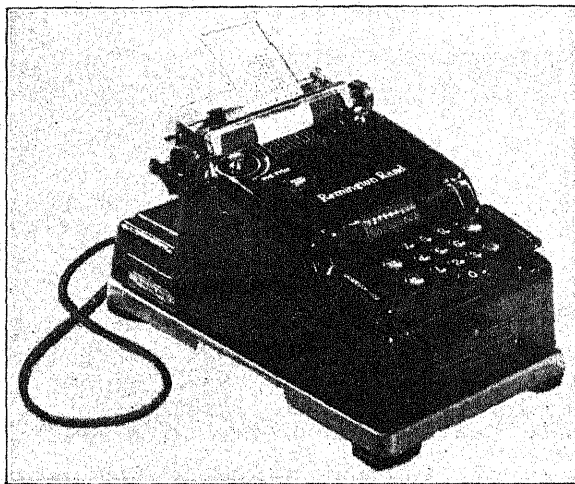


Illustration 72. Ten-keyboard adding machine. Results are shown in the dial immediately above the keyboard. The machine is portable and electrically operated.

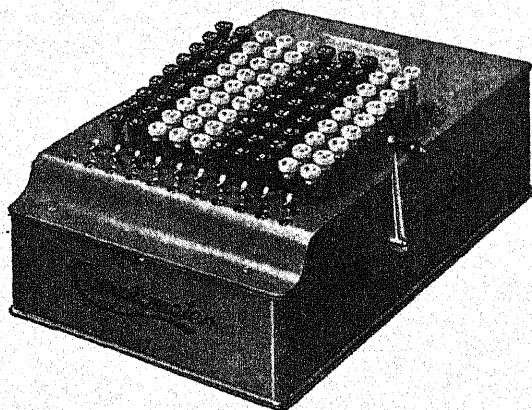


Illustration 73. Key-driven calculating machine. Depression of the keys automatically actuate the mechanism. The dials are cleared by pulling forward the hand lever at the right of the machine.

processes, namely: (1) the key driven, and (2) the motor operated. A key-driven model is shown in Illustration 73. To operate the machine, the keys are depressed. When this is done, the dials record the sum in addition, or the product in multiplication. To divide,

the keys are depressed in such a manner as to bring about repeated subtraction until the quotient is obtained in the dial.

Since depressing the keys is all that is necessary to perform the fundamental arithmetical processes, this type of calculator when in the hands of skilled operators can be operated with high speed.

One of the types of the motor-operated calculating machines



Illustration 74. Portable rotary type calculating machine which is being operated by a secretary.

may be seen in Illustration 74. These machines being of a rotary type are simple to operate, and they provide the handling of large figures, and proof of the correctness of the operation upon completion of the calculation. For example, if the operation is one involving multiplication, all three factors used in the process—multiplier, multiplicand, and the product appear on the machine at the end of the calculation. Verification of these gives absolute proof of accuracy.

Late model calculators have two sets of dials, as shown in Illustration 75. In these dials are set up the various figures necessary for the calculation, or the dials automatically record figures which are the result of the calculating operation. The large dial shows the sum if the calculation involves addition, the product if it is

multiplication, and the dividend or remainder if it is division, and the minuend if it is subtraction.

The small dial shows the multiplier in multiplication, or the quotient if the operation involves division.

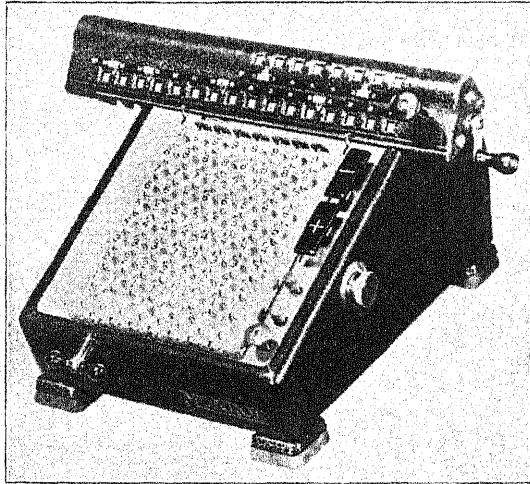


Illustration 75. Calculating machine with two visible dials. This machine adds, subtracts, divides, and multiplies. It is power-driven.

AUTOGRAPHIC REGISTERS

Autographic registers are used to record transactions where each of the parties involved is entitled to a copy relating to it. The machines are portable and easily moved to any location within the business or office.

Their use is varied but they work advantageously in situations where sales are recorded, or where money is being received on account. For example, garages often use this type of device for recording the sales of labor or parts in the service division. Installment houses find the registers convenient for recording receipts of cash on account, especially when the customer varies the amount of his payment from time to time.

Most of these registers produce three copies; the original which is retained by the firm for use in the accounting department, the duplicate which is kept in the department creating the media, and the triplicate which is given to the customer.

Types. There are three main types of autographic registers,

namely: (1) recorder type; (2) manifolding type; and (3) summary record type.

Recorder Type. The recorder type of register shown in Illustration 76 always locks one copy of the original record in the machine, and it can be obtained only by the person having the proper key. The purpose of this, of course, is to provide against destruction or alteration of the record. Forms used in this kind of register are either of the roll type or flat type. In the first type, copies retained in the

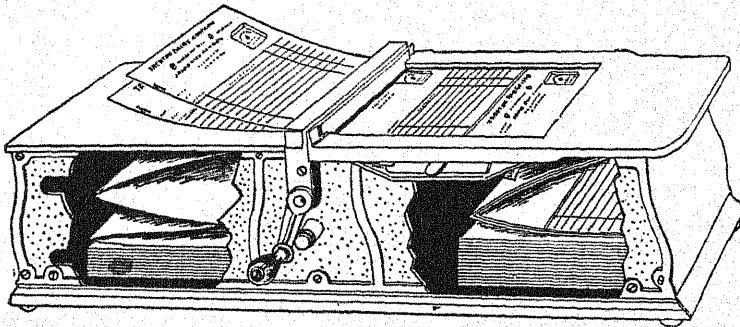


Illustration 76. The recorder type autographic register locks a duplicate copy of the form in the machine. Forms used are of the folding type.

register are wound around a spool or are cut off, filing each form in the latter case in numerical order. In the flat type the forms file themselves flat in numerical order.

Forms in the registers, regardless as to type, are fed across the writing surface into proper position for recording data relating to the transaction. In the recorder type, a motor or crank, however, is used to bring the complete form into position.

Manifolding Type. In the manifolding type, Illustration 77, forms are not retained in the machine. Hence the copies may be pulled into position by the ejection of those used for the previous transaction.

Summary Record Type. A summary record of all transactions written on the forms is retained in a locked compartment of this machine. As the forms move through the machine, a portion of the data recorded thereon is duplicated on the summary roll, as for example, the description of the transaction along with the amount. At the end of the day this summary roll gives a complete history of all

transactions performed—but it is in brief form which is easy to use in auditing the complete records.

Advantages of Autographic Registers. Autographic registers produce, by means of carbons, legible copies of business transactions. All data on the copies are aligned with that of the original form

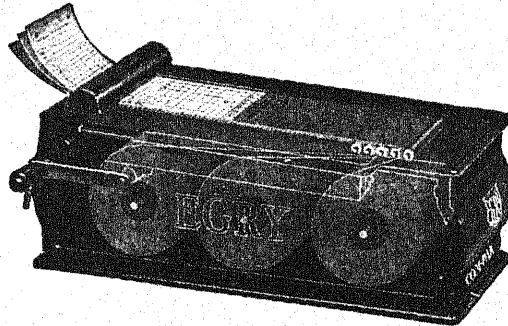


Illustration 77. The manifold type autographic register contains rolls from which the original and duplicate copies of invoices are prepared.

making comparison easy but alteration difficult. In the locked type of register, assurance against alteration or destruction is positive since no one but the properly authorized person has access to the locked-in forms. Forms used are inexpensive, standard in size, and may be altered from time to time to meet new conditions within the business without incurring very much expense. The cost of the equipment when compared to other types of recording devices is negligible.

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